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Latin America

FBIS-LAT-94-020 CONTENTS *31 January 1994*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

INTER-AMERICAN AFFAIRS

- Guatemala's De Leon on Central American Choice for OAS Post *[AFP]* 1

CARIBBEAN

Cuba

- Fidel Castro Closes Solidarity Meeting *[Havana TV]* 2
  - Closing Address *[Havana Radio]* 2
- Castro: Entire World is in 'Special Period' *[Havana TV]* 11
- Castro Says U.S. Planned 'Summit' Aimed at Excluding Cuba *[Madrid EFE]* 12
  - Views Need To Adopt Pragmatic Measures *[Havana Radio]* 13
- Castro Wants More Third-World Nations in Security Council *[Havana Radio]* 13
- Alarcon Expresses Satisfaction With Visit to Belgium *[Havana Radio]* 14
- Alarcon Arrives in Bonn for Official German Visit *[Havana Radio]* 14
- Commentary Views U.S. 'Meddling' in Latin America *[Havana Radio]* 14
- FAO Ambassador Denounces Conditioning of Assistance Funds *[Havana Radio]* 15
- New Business Publication Begins Circulation *[Madrid EFE]* 15

Haiti

- Aristide Spokesman Issues Statement on Canadian Talks *[Port-au-Prince Radio]* 15
- Demonstrators Demand Dissolution of Parliament *[Port-au-Prince Radio]* 16
- Army Protests U.S. Decision To Cancel Passports *[Port-au-Prince Radio]* 16
- Chamber of Deputies Supports Business Activity Stoppage *[Port-au-Prince Radio]* 16
- Labor Unions Protest Employers' Work Stoppage *[Port-au-Prince Radio]* 17
- Senate Office Warns Against Parallel Institution *[Port-au-Prince Radio]* 17

Jamaica

- Japan Reschedules $14 Million of Debt *[CANA]* 17

St. Vincent and the Grenadines

- Former Minister To Run as Independent Candidate *[CANA]* 17

MEXICO

- Army Holds News Conference, Urges Political Solution *[NOTIMEX]* 18
  - Anticipates Weekend Violence in Chiapas *[Madrid EFE]* 18
- Peace Commissioner on Government Points for Talks With EZLN *[Madrid EFE]* 19
  - Reveals Points for Dialogue *[Madrid EFE]* 19

CENTRAL AMERICA

El Salvador

- U.S. Military Officer Reportedly Flees From Murder Charge *[San Salvador Radio]* 20
- Cristiani on Crime, Peace Accords, Economy *[San Salvador Radio]* 20
- Cristiani, Colombia's Gaviria Discuss Free Trade *[San Salvador Radio]* 25

Gaviria Addresses Assembly *[San Salvador Radio]* ... 26
Central Bank President on Decrease in U.S. Aid *[LA PRENSA GRAFICA 26 Jan]* ... 28

Guatemala

State Administrative Workers Begin Strike *[ACAN]* ... 28
Peasants March on National Palace *[Guatemala City TV]* ... 28
STOJ Not To 'Budge' From U.S. Embassy *[Guatemala City TV]* ... 29
Government: Strike Failed; Unions Claim Success *[ACAN]* ... 29
Workers Want Deputies' Resignation *[Guatemala City TV]* ... 29
Union Rejects Dialogue *[Guatemala City TV]* ... 30
Police Deployed at National Palace To Prevent Disturbances *[Guatemala City TV]* ... 30
Experts Defuse Bombs *[Guatemala City TV]* ... 30
Dynamite Deactivated, Grenades Seized *[NOTIMEX]* ... 31
De Leon Holds News Conference, Comments on Situation *[Guatemala City TV]* ... 31
Issues Message in Wake of Bombings *[Guatemala City Radio, TV]* ... 31
Army Blames URNG for Recent Terrorist Actions *[Guatemala City TV]* ... 32
Officials Outline Security Measures for Referendum *[SIGLO VEINTIUNO 28 Jan]* ... 32
URNG Detonates Propaganda Bomb, Urges Boycott of Referendum *[Guatemala City TV]* ... 33
Army: URNG Seeking To Intimidate Referendum Voters *[ACAN]* ... 33
Top Guerrilla Leader Killed in Clashes With Army *[Hamburg DPA]* ... 33
Five Soldiers Killed in Clash With URNG *[Guatemala City TV]* ... 34
Calm Reported on Eve of 30 Jan Referendum *[AFP]* ... 34
Polling Stations Open for Constitutional Referendum *[ACAN]* ... 34
First Hour of Voting Marked by Abstention, Propaganda *[ACAN]* ... 34
Officials Comment on Referendum Voting ... 35
Workers Organization Official *[Guatemala City TV]* ... 35
Police Chiefs: Everything Normal *[Guatemala City TV]* ... 35
President De Leon *[Guatemala City TV]* ... 36
Zapaca Governor, Electoral Board President *[Guatemala City TV]* ... 36
Vice President Herbruger *[Guatemala City TV]* ... 37
Education Minister Tay *[Guatemala City TV]* ... 37
President Denies Resignation If 'No' Vote Wins *[NOTIMEX]* ... 38
Propaganda Bomb Explodes During Referendum; No Damage *[AFP]* ... 38
'Absolute Normalcy,' Low Turnout Reported *[ACAN]* ... 39
Polls Close; Abtentionism Reportedly 20-25 Percent *[ACAN]* ... 39
'Terrorist Device' Explodes in Capital; No Casualties *[Guatemala City TV]* ... 39
Vice President Herbruger on High Abstention Rate *[ACAN]* ... 39
Initial Results: 'Yes' Vote Winning, High Abstentionism *[ACAN]* ... 40
De Leon on Talks With New Honduran President *[Guatemala City TV]* ... 40

Honduras

Armed Forces on Inauguration Jeering *[Tegucigalpa Radio]* ... 40
Discua on Armed Forces Status *[Tegucigalpa Radio]* ... 41
Congress Elects Supreme Court Justices, Attorney General *[EL HERALDO 26 Jan]* ... 42
Guatemala's De Leon on Bombings, Upcoming Referendum *[AFP]* ... 42

Nicaragua

FSLN Sectors Agree on Constitutional Reforms Negotiation *[BARRICADA 25 Jan]* ... 42
Government, Transportation Representatives Reach Accord *[Managua Radio]* ... 43
Transportation Commission Ignores Agreement *[NOTIMEX]* ... 44
Police Troops Patrol Managua During 7th Day of Strike *[Hamburg DPA]* ... 44
Gen. Ortega Undergoes Knee Surgery in Mexico *[LA PRENSA 27 Jan]* ... 44

Panama

Presidency Minister Resigns To Manage Alliance Campaign *[EL PANAMA AMERICA 27 Jan]* ... 45

SOUTH AMERICA

Argentina

Di Tella Says U.S. To Invite Argentina To Join NAFTA [Buenos Aires Radio] 46
To Meet UN's Ghali; Aware of Chilean Trip [NOTICIAS ARGENTINAS] 46
U.S. To Approve Late-Generation Radars [NOTICIAS ARGENTINAS] 46
Government Criticizes Anti-Chilean Demonstration [NOTICIAS ARGENTINAS] 47
ROK, Argentina Agree To Sign Extradition Treaty [Seoul YONHAP] 47
MERCOSUR Industrialists Meet To Evaluate Situation [NOTICIAS ARGENTINAS] 47
Corrientes Will Not Sign Fiscal Pact Unless Debt Rescheduled [BUENOS AIRES HERALD 28 Jan] 48

Bolivia

Arrest of Major Drug Trafficking Gang Announced [La Paz TV] 48

Brazil

Further on Approval of Provisional Economic Measures [O GLOBO 27 Jan] 49
Franco 'Distressed' With Economic Plan's Results [FOLHA DE SAO PAULO 26 Jan] 49
Cardoso 'Irritated' by Nonapproval [Brasilia Radio] 49
Cardoso Not To Resign [Brasilia Radio] 50
Minister Seeks To Avoid U.S. Retaliation Over Patents [GAZETA MERCANTIL 27 Jan] 50
Editorial on Importance of Nuclear, Patents Bills [O ESTADO DE SAO PAULO 27 Jan] 50
Franco Asks for Chamber, Senate Support for Social Emergency Fund [Brasilia Radio] 51
Aeronautics Minister Confirms Piranha Missile Project [O ESTADO DE SAO PAULO 28 Jan] ... 51
* Parties Search for Viable Opponent to PT's Lula [VEJA 12 Jan] 52
Foreign Minister Announces Establishment of Free Trade Zone [Brasilia Radio] 54
Two Commissions Created To Promote Ties With Argentina [GAZETA MERCANTIL 28 Jan] ... 54
Miltary Officers Depart for Mozambique To Join Un Peacekeeping Force [Madrid EFE] 54

Chile

President-Elect Appoints 23 Under Secretaries [Santiago TV] 54
Camilo Escalona Elected Socialist Party President [EL MERCURIO 16 Jan] 55
PS Urges Aylwin To Restore Diplomatic Ties With Cuba [EL MERCURIO 18 Jan] 55
Government Not To Promote Amnesty for Chilean Exiles [EL MERCURIO 16 Jan] 56
Government Expectations Over Lima Convention Noted [EL MERCURIO 19 Jan] 56

Colombia

Navy Announces U.S. Troops To Leave in March; Denies Airport Being Built [EL NUEVO SIGLO 25 Jan] 58
'People's Observers' Denied Access to U.S. Installations [Santa Fe de Bogota TV] 58
Human Rights Issue Could Be Obstacle to Gaviria's OAS Candidacy [EL NUEVO SIGLO 25 Jan] 58
Army Appoints New Tarqui Battalion Commander [EL TIEMPO 26 Jan] 59
Government Initiates Environment Ministry [Hamburg DPA] 59
France Offers To Prolong Special Tariff Program [EL NUEVO SIGLO 25 Jan] 59
Prisons Director Denies Guards on Strike, Orders Probe [Santa Fe de Bogota TV] 59
* Sintura Discusses Use of Sentence Negotiations [EL TIEMPO 3 Jan] 59

Ecuador

Government's Economic Announcement Causes Street Riots [Hamburg DPA] 61
Students, Police Clash Over Anticipated Increase [Quito Radio] 61
Government Announces Price Increase [NOTIMEX] 61
Violent Protests Continue [Hamburg DPA] 62
More Protests Expected [AFP] 62

Paraguay

Congress Urged To Reject U.S. Military Presence in Country *[NOTICIAS 28 Jan]* 63
Chamber President Supports U.S. Military Mission *[Asuncion TV]* 64
Christian Democratic Leader Questions U.S. Troops' Mission *[HOY 28 Jan]* 64
Armed Forces Condition Approval of Presence of U.S. Troops *[ABC COLOR 29 Jan]* 64
President Wasmosy Favors Privatization of Public Companies *[ULTIMA HORA 28 Jan]* 65

Peru

Prison System Weakening Shining Path Morale *[LA REPUBLICA 16 Jan]* 65
Dincote Presents 'Country's Most Wanted Drug Trafficker' *[Lima TV]* 67
    Further on Drug Trafficker Chavez *[Lima Radio]* 67
* Navy Captures Over 40 Terrorists, 160 Drug Traffickers *[EL COMERCIO 18 Dec]* 68

Venezuela

Defense Minister Meets With Colombian Counterpart *[EL UNIVERSAL 28 Jan]* 68
    Confirms Changes in Military High Command *[Caracas TV]* 68
Velasquez on Defense Minister's Retirement Decision *[Caracas TV]* 69
President-Elect Makes Statement on New Defense Minister *[Caracas TV]* 70
Outgoing Defense Minister Wishes Success to New Government *[AFP]* 70
Munoz Denies Ever Wanting To Stage Coup *[Caracas TV]* 71
Funds Deposited Into Central Bank for Account Holders *[Caracas TV]* 71
Interior Minister Sees Conspiracy To Mar Inauguration *[AFP]* 71
Foreign Minister Denies Increase in Drug Crops *[EL DIARIO DE CARACAS 26 Jan]* 72

Guyana

Government Announces Divestment of Four State Companies *[CANA]* 72
PNC Warns Aid Donors Against Jagan's 'Marxist Ideology' *[CANA]* 72
CGCED Meeting Produces $320 Million in New Aid *[CANA]* 73

Guatemala's De Leon on Central American Choice for OAS Post

PA3001024594 Paris AFP in Spanish 2130 GMT 28 Jan 94

[Text] Tegucigalpa, 28 Jan (AFP)—Guatemalan President Ramiro De Leon Carpio said today that the Central American countries will support Costa Rican Foreign Affairs Minister Bernd Niehaus on his bid to be OAS secretary general. De Leon, who is in Honduras on an official visit, told the media that Colombian President Cesar Gaviria requested support for his possible candidacy to the OAS post, but "we have a commitment that we must keep unless a reason unrelated to said agreement prevents us from doing so."

The Guatemalan president participated in the inauguration of liberal lawyer Carlos Reina, the new Honduran president, on 27 January. Before he returned to Guatemala today, De Leon also participated in the closing of the Central American Parliament plenary sessions.

Salvadoran President Alfredo Cristiani and President Reina also expressed their support for Niehaus, although the new Honduran president reiterated his position of supporting Gaviria should the Costa Rican foreign minister fail to win in the first round of the elections. Reina told the media that "we like very much other rulers who want the post."

Confronted by the media, Nicaraguan President Violeta Chamorro refused to address this topic and only said that "the vote is secret." Some inferred that she tacitly supported Gaviria in violation of the Central American commitment.

Gaviria, who also attended the protocol acts in Tegucigalpa, met briefly with several regional leaders who attended the inauguration on 27 January. He denied that he was lobbying for his candidacy and pointed out that they discussed only issues of common interest such as trade and technical cooperation. Gaviria said that he is studying the launching of his candidacy, proposed by other countries, before making a decision.

The selection of the new OAS secretary general is scheduled for March 1994, and the United States has publicly backed President Gaviria.

Besides Niehaus, who claims to have 23 votes so far (18 are needed to win the election), former Foreign Ministers Carlos Iturralde (Bolivia) and Miguel Angel Burelli (Venezuela), who has also lobbied in Honduras lately, were also nominated to the post.

Cuba

Fidel Castro Closes Solidarity Meeting

FL2901024194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Jan 94

[Text] Commander in Chief Fidel Castro today gave the closing speech at the Fourth Latin American and Caribbean Meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of our Peoples—as of today expanded to the entire hemisphere. The gathering, held to promote solidarity, sovereignty, self-determination, and the life of our peoples, fully agreed to reject capitalism and its current expression, [economic] neoliberalism. It could not have been otherwise, because Latin America and the Caribbean have many problems.

Over 1,000 delegates attending the meeting worked in four committees on specific topics, and more than a dozen committees on particular sectors that embraced the most dissimilar facets of Latin American and Caribbean life. The meeting's final resolution includes crucial concepts. The text identifies neoliberalism as the fundamental cause of continental problems, and [says] that only unity within the multiplicity of opinions represented and the strengthening of common roots will permit us to offset its harmful effects.

Another thing unanimously agreed on was solidarity with Cuba and the condemnation of the United States' blockade.

[Begin recording of Daniel Ortega, of the Sandinist National Liberation Front, identified by caption] I wish to say that the fact that this event is being held in Cuba is a gesture of faith toward the Cuban people, toward its Revolution, toward Fidel. And we wish to show just how much affection, love we have for Cuba, which we are sure is going to triumph—despite the blockade, despite the policies of calumnies and infamies—and is going to come out ahead. The United States will be obliged to lift the blockade against Cuba. [end recording]

Thus opens another chapter of the meetings of the social and people's movements of Latin America and the Caribbean. The next rendezvous will be within two years.

Closing Address

FL3101013094 Havana Radio Rebelde Network in Spanish 0130 GMT 29 Jan 94

[Speech by Cuban President Fidel Castro at the closing ceremony of the Fourth Latin American and Caribbean Meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of Our Peoples, at the Convention Center in Havana on 28 January—recorded]

[Text] Latin American and Caribbean comrades attending this Fourth Latin American and Caribbean Meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of Our Peoples: You wanted me to speak on the first day of the meeting when you still had a whole litany of subjects and issues to discuss, some of them pretty complicated. You have not had a breather. [laughter] I wanted to you rest and relax for a few minutes. That would have given me the opportunity to rest and relax a bit and then address you. However, you have practically unanimously agreed that we should immediately begin the closing session.

Throughout unending hours, you have discussed truly important and complex topics. I am truly amazed that in the end you have been able to issue those documents, the documents you approved in the previous session as well as those you have approved during this session. I was recalling the days when we would meet to discuss the foreign debt, back in 1985. Back then, we warned about many things that were happening and many others that would happen. Our continent lost its best chance to win a great battle; we would have spared ourselves many of the calamities we now face. I can recall that more than 1,000 well-known representatives of various sectors of the continent participated in some of those meetings. However, we agreed that no resolutions or final declarations would be issued because we felt it was truly impossible to reach a consensus when so many different opinions were being expressed. We must keep this in mind at this meeting. Many different ideas and opinions prevail, even though we do agree on the main issues. I wanted to see how the miracle was going to be performed. I wanted to see how so many delegates could issue those documents.

I really do not have much to add to the topics you have broached throughout the past few days. In addition, I cannot speak—and this is something you understand quite well—as freely as each of you can. In other words, being a guerrilla and being in the government are two different things. We wish we could go back to those guerrilla days. I look back on them with envy. The problems facing a revolution in power, a revolution responsible for the lives and futures of 11 million people, are very big. This forces us to refrain from bluntly saying eveything we think. Were we to speak our minds, diplomatic relations with many, or some, countries would be broken. We have been waging a big battle to break the blockade, to get the support of the UN member countries against the aggressive policy of the United States and against its anti-Cuba maneuvers. For this reason, we are not free to express ourselves. I am saying this because I do not want you to expect me to make some special statement. I do not want you to expect me to burn myself [laughter, applause] during this closing event. Someone said that we should not use the word suicide, that neoliberalism is suicide, that it is genocide. I do not wish to contribute to the genocide imperialism wants to commit against us. I hope you will understand.

However, I must add that I feel just as revolutionary as I have been [applause] ever since I gained revolutionary awareness. [applause] I must add that I have not changed. Perhaps today we have more experience than we had before, but our ideas remain the same. We have not yielded a single step backward in our ideology and all that we are doing today is to save the fatherland, the Revolution, and socialism. We say this in another way: [applause] We say the achievements of socialism. [applause] We say it in this manner because we must not give the impression that we are now building socialism. We must defend socialism and its achievements. We must protect socialism. However, during this special period we are experiencing, we cannot say that building socialism is our main task; our main task is the survival of the Revolution.

I am truly amazed by the unanimity of ideas that has prevailed throughout this meeting. I have tried to get as much information as possible on the main topics discussed. I have seen that ideas do not differ. You have stressed the meaning of neoliberalism. Your final declaration expresses this and the views on this topic, expressed by the commissions, have been practically unanimous. From what we have heard here, from what was said here, it would not be easy to say what we are; however, we can categorically state what we are not: We are definitely not neoliberals. You have defined at this meeting what the new imperialist projection represents for our hemisphere, in Latin America and especially the Caribbean. You see it every day and every hour. You see it in the growing poverty, growing unemployment, lack of money for education, lack of money for public health, lack of money to solve social problems, lack of money to solve such serious problems in our hemisphere as housing. You see it in the growing number of downtrodden and in the shantytowns that continue to sprout in all the cities in our countries.

You are seeing privatization. Industries that took years, tens of years, to become national industries—many of them strategic industries, strategic and service industries—and the pride of our countries, have been sold off for practically nothing. Big, important enterprises have been sold for foreign capital, or for some large domestic capital, and paid for in foreign debt paper. Many times these enterprises have been sold below their real value, for half or one-third of what they were really worth and paid for, I repeat, in paper. These enterprises were traded for that debt we described as uncollectable and unpayable. Today they are collecting their debt in two ways: They are taking over the main areas of the economy of our countries, more than ever today; and more than ever today, they are making us pay the debt. If you were to talk to teachers, doctors, representatives of the cultural sectors, trade union representatives, peasants, or students, you would find that they all have the same problem: There is no money. However, a huge amount of the budget of every Latin American country goes to pay the foreign debt. In some cases, it represents more than 50 percent of the budget. However, there is no budget for services for the people or to solve the people's problems. This is teaching our people a lesson. You did not learn the meaning of neoliberalism from a book or at school; you have lived and experienced the real meaning of neoliberalism combined with the new tendencies in the world, with the U.S. unipolar hegemonism, and with the creation of large economic and political power blocs. You see this every day.

Cuba is facing truly difficult times for reasons already explained; perhaps later I will mention these once again. But we are not the only ones experiencing a special period. Latin America is experiencing a special period; the world, the Third World, is experiencing a special period. Someone suggested that we use another term to describe these countries, such as southern countries. I do not like the word southern because there are several developed countries in the south, countries that were privileged Western colonies. I understand that Australia and New Zealand are developed countries. These countries experienced mass immigration from the colonizing powers and were given every opportunity to develop. I believe those countries are located in the south.

I also disagree with the word dependent. There are countries that are euphemistically called developing countries when they are really underdeveloped countries, but they are not dependent countries. For example, we cannot say that China is a developed country and that it belongs to the north. China is a developing country. Since there is no other way to describe them, I prefer to use the words Third World when I am referring to the underdeveloped and developing countries. You were just attempting to differentiate between the First and Second World countries. What happens here is that if the socialist countries were the Second World countries—and I do not know who thought up that phrase—then we can say that many of those Second World countries are becoming Third World countries. But it is a name and we were baptized with that name. When I want to say something about certain countries, I continue to use the phrase and I say that the Third World countries are experiencing a special period. I say that the world itself is in a special period, except for the superprivileged minorities that flaunt power even in the developed capitalist countries. Because there are, in the United States, a developed country, Hispanic populations, populations of Hispanic origin, which are suffering terrible conditions. Every black population of the United States could be called the Third World within the United States. One cannot speak much about indigenous populations in the United States because they exterminated them. There are reservations with a population that represents a small percentage of the total U.S. population. This is why I say that the world is in a special period even though our situation, as a revolutionary and socialist country following the collapse of the socialist bloc, is very difficult, probably much more difficult than that of most of the Latin American and Caribbean countries.

When the comrade talked about the indigenous population I asked myself: Who are they? You were talking about the indigenous population in Latin America. But what are the Africans? Is the African indigenous population better off than the Latin American indigenous population? They are worse off. There are many Indians in this world and they are not natives of India. That is where the word came from. Luckily, Columbus made a mistake. [laughter] He thought he was going to India or China and, instead, discovered a continent. We could have been called Chinese [laughter] instead of Indians. We do not know for sure where Columbus was headed. All we know is that he discovered a continent located right in the middle. The continent stopped him. Had it not been for this continent he would have kept going.

There is no doubt that his calculations were way off, but had he reached his destination, he would not have lasted five minutes. [laughter] The conquest was not carried out with the harquebus and crossbows alone; horses were also needed. Our people could not tell whether man and horse were one. They found out later that man and horse were separate; they even found out that man and horse died. That is when the struggle and resistance began. Very little is said about that resistance. During the celebrations marking the 500th anniversary, very little was said about the resistance, for example, of the Indians in Mexico and many other areas in Central America and South America. For example, nothing has been said about the resistance put up by the Araucan Indians. They fought for a century. All we hear is about the prowess and conquests of the white man.

When you were talking about the problems of the indigenous population, I kept thinking that they must be broached universally. The poor and underdeveloped population of Asia is an indigenous population. The Indians are an indigenous population. India was forced into a colonial status at a time when it was experiencing a development almost comparable to that of Europe. Today it is a country of 805 million inhabitants with some hundreds of millions of dollars of gross income. That is India today. We must also talk about the African Indian and we must talk about the Latin American Indian; however, we all fall under the category of Indians.

I believe that those who are white are also playing the role of Indian. Therefore, I would say that the Latin Americans are becoming Indians because we are being conquered once again; we are being discovered once again; and we are being promised that same horrible future they offered the indigenous population. In the past they exterminated the indigenous population through disease, exploitation, and ferocious repression. Today they want to starve the new indigenous population to death and if we do not struggle and defend ourselves, we are going to starve to death.

Latin American history has never lived a more difficult time than the one we are currently experiencing. When the Cuban Revolution triumphed, Latin America owed hardly anything—perhaps a few thousand dollars. Today Latin America owes approximately $500 billion. What a difference since the triumph of the Cuban Revolution. Back then, the basic products exported by our countries had some value on the world market. However, imperialism imposed an order and as the years went by, these products lost their purchasing value. Many of these products were replaced by synthetic products, thanks to the advanced technology of the developed capitalist countries. They replaced fibers and many other things. They replaced sugar. The United States used to import large amounts of sugar and it has replaced this import with glucose extracted from corn. The sweetening capacity of corn is much greater than that of beet or cane sugar. In the past, beets were used to produce sugar. Beets are grown in developed countries. Later, they began using the sweetener from corn—and they have a huge surplus of corn—and displaced other sugars from the market. These products are being used in Latin American countries as well. Since this sugar is lower in calories and sweeter than regular sugar, it is used by people who want to be slim and so forth. I have used sugar only as an example, but this has happened with many products. It will continue to happen with more products. The economy, life, and development of many of our Third World countries depended on the export of certain basic products and those products are now being replaced on the market.

The basic agreements to protect the price of products like coffee no longer exist. Many of you come from countries where coffee plays a very important role. What is today's price of coffee on the market? What is today's price of cacao on the market? In the past there were international agreements to protect the price of these products. What about sugar? There were international agreements that protected the price of sugar. Many basic products were protected by international agreements and imperialism did not stop until it practically eliminated all those agreements. The main exports of many countries have lost purchasing value. Agricultural production, independent of subsidies, also competed on the international market. These products were produced for consumption in other countries to the detriment of our economic interests.

There was a time when industrial production was protected in one way or another. A tug of war between an ant and an elephant is not fair. You cannot expect us to compete economically with a developed country. They have a monopoly on technology, on advanced technology; they have a monopoly on scientific research; they have the possibility of automating production; they have all the money they need. It is only logical that it is difficult for a Third World country trying to become an industrial nation to do so, because how can it compete? Who can compete in the production of cars, refrigerators, or television sets? Who can compete in the production of industrial products? Very advanced technology is used to produce those industrial products. All the Third World can hope for is to have a contaminating industry built in their countries; all the Third World can hope for is to have an industry that needs a large and cheap work force to move to their countries. These industries need a cheap work force to make a profit. These industries would not be able to make a profit in their countries, because it is too expensive to pay the workers and for other reasons. Perhaps these industries contaminate the environment; those are the industries sent to the Third World. They will continue to do so until they find a way to produce that same product in their own countries by using automation, by using the famous robots.

Now they want to open economic borders. They want to globalize international economy. What role will we Third World countries play in this globalization of the international economy? Open the borders. Cancel all import taxes. What do we gain? What is left for us? All they want to do is use our country, our territory, and our human resources for their own profit, for the profit of the transnationals, for the profit of imperialism.

They would buy everything. They would own the main industries. They would turn us into colonies, more so than we already are. They would eliminate our independence. They would do this not only in an objective and real manner, but formally. Since the socialist bloc collapsed and the world balance broke, all the empire has been doing is struggling against the formal independence our countries have. What little formal independence our countries have.

Culturally, they are pitilessly invading. They are invading us economically. They are invading us through the mass media. They want us to see what they want us to see and not what we want to see. They do this to dazzle us with their wealth, dazzle us with their societies of consumption. They do this through advertising and propaganda. Through the transnational media, they control practically all information. They report on all world events. The television stations that are watched are practically only those that belong to them. And they are not paying much attention to the densely populated areas [superbarrios], only to Superman. [applause and drumming]

Formal independence is gradually being eliminated, using the UN Security Council as an instrument. We therefore considered very reasonable the participant's proposal that the problem involving the United Nations should also be included in this declaration. The democratization issue is not democratic at all. They are talking about democracy; but the fact is that only one group of countries, no more than five, has the right to veto. The same number of countries had veto power when the United Nations consisted of 50 nations; today there are almost 200, and the number is increasing. And this is not the consequence of the liberation movement but of the disintegration of certain states, which was also promoted by imperialism.

There are only five decisionmaking countries at the United Nation. If the UN General Assembly were to meet and decide to make changes in the UN Security Council, any country with veto power can veto this decision. The United States can veto such a decision. The United States can say there will be no changes. When they speak of change, it is only to include other powerful nations like themselves in the group. We must defend the idea of democratizing the United Nations. If we want to say there is real democracy, then representatives from other areas of the world must be on the council. In the past, at Latin American summits and at the United Nations, we have said that there should be at least two Latin American representatives on the Security Council; [applause] two African representatives on the Security Council. A country like India, with 850 inhabitants—despite its gross national product or per capita income—should be a member of the UN Security Council. This would allow at least two Latin American and two African countries to be members of that council. The rules and principles of the Security Council should be amended. Perhaps it would seem a bit unreal to say under the current circumstances that the veto should disappear. The veto must disappear, but not now because it would be impossible to do this under the present circumstances. But, because of our principles, we should be against the power of veto; because of our principles, we must support the idea that decisions are made based on consensus. Decisions must be made by all the members of the United Nations or the Security Council. Some day the Security Council's right to veto must disappear.

Meanwhile, what little formal independence we have is being taken from us. They are destroying our independence. To speak of independence may seen anachronistic when, today more than ever, we must speak of independence precisely to ensure that we are not totally conquered, to ensure that we are not subjugated. However, those words are outdated in the vocabulary in use. All of this means neoliberalism, but a neoliberalism applied at the world level as conflicts of interest are resolved. It is very difficult to solve all the conflicts of interest among all the great economic blocs that have been created. But they are implementing this policy on the world level. What hope can this policy represent for our peoples?

Neoliberalism has been applied, and how, in the former socialist countries in Europe. What remains of the former socialist countries? From what we read in the foreign news and newspapers, this has resulted in a real disaster in those countries. Some in those countries are admitting that the accelerated and exaggerated implementation of the IMF and neoliberal formulas was a serious mistake. These formulas were brutally implemented in those countries whose economies had been drafted for another system. These economies were drafted under different ideas. The countries disintegrated and many leaders were led to believe that the best solution was neoliberalism, the same neoliberalism they are applying in Latin America. But those countries were not accustomed to the material and social calamities they are experiencing today. It truly hurts. It hurts deep down to see how the death rates have increased in those countries. In the past, everyone had a school to attend, a hospital to go to. They had more or less efficient services, but they had services. Everyone had a job. They did not know what unemployment was. They had a more or less efficient economy. In some cases it was deficient, but not all was deficient. We know that they made great achievements in the fields of health and development. Great achievements. The Soviet Union was destroyed twice in less than 25 years and was twice rebuilt. It was devastated by wars, first by the revolution and then by the Fascist attack. I believe the Soviet Union did something great that will never be mentioned by the Western press.

Today they are scared because of the results they are seeing of the mistaken implementation of the neoliberal idea in those countries. They have practically destroyed the economy of those countries. We do not know how many of those countries will overcome this crisis they are experiencing. This is all the result of the neoliberal idea.

As you can see, this experience is not strictly Latin American. Over there they also want to buy everything and pay for it with devaluated currency. They want to buy it cheap. They want to buy it all for practically nothing. They want to purchase those countries' wealth, natural resources, and industries, for practically nothing. Of course, this causes a reaction and at times promotes very strong nationalistic feelings. Such actions bring all types of reactions from the disillusioned people—more than disillusioned, desperate because of the situation they are experiencing. And what can capitalism offer them? We are not talking neoliberalism. Neoliberalism is the ultimate expression of capitalism and imperialism. To be antineoliberal is to be anti-imperialist. We could add that to be antineoliberal is to be anticapitalist, most definitely. Many may not know this, but that hate is hatred toward the expression of the evolution and development of capitalism.

We are facing a tremendous situation. We are confronting a system that, at this very moment, is at the zenith of its political, economic, and military power and strength and can offer mankind nothing. Capitalism is fated to devour itself. Since...[rephrases] First it created colonialism. With colonialism, it created underdevelopment, by virtue of which 80 percent of mankind, over 4 billion people, today live in poverty, although there are a number of rich people in many of those countries—people quite rich indeed. But three-fourths... [corrects himself] four-fifths of mankind belongs to that underdeveloped world; we could say, to that Third World. And that is where the very serious problems and very serious contradictions arise—from the fact that capitalism is obliged to grow non-stop. If growth stops, it is a catastrophe for the United States, Japan, or Europe. Factories are shut down. Production and service businesses go bankrupt, banks fail, insurance companies fold. The system fails when expansion stops.

And a system that is obliged to expand continuously is disastrous for the world. Besides, it is illogical. It is absurd. And just look at the kind of things people do, precisely right now, at a time when hunger is growing in the world, when there is more hunger than ever—and more poverty. How did they solve the problems between Europe and the United States over agricultural issues? They agreed to kill millions of cows in Europe. Millions of cows. To kill millions of cows where there are hundreds of millions of children who do not drink milk is a crime, [repeats] a crime! [applause] No matter from what angle we view this, no matter our religious beliefs, for a long time now man has known that this is selfishness, that this is genocide, and that this condemns no one knows how many people to death. In the past they subsidized products; now they are going to solve the problem by subsidizing land that is not being cultivated. They are going to subsidize the non-use of land in a world full of those miseries, calamities, we are talking about and know about. It is a crime. One cannot say that a system that does something like this is rational. Nor can we say that a world built on this system is rational. It is irrational. It cannot be defended. But there are even more serious problems.

Those countries have very high standards of living. Their gross national product is very high. However, in no way does this mean that it is properly distributed. They will always have that problem: the worker and the millionaire. There will always be a great inequality. They will always have those with many privileges. Nature is being destroyed. The waters, the atmosphere, the oceans, lakes, rivers are being poisoned. The air is being poisoned. Because of the anarchistic, chaotic, and disorderly development, much is being destroyed. This is the only type of development capitalism can create. They are truly endangering man's living conditions. I am not exaggerating. This was discussed during a summit in Rio de Janeiro a little more than a year ago. All these problems associated with the environment, and the destruction of the environment, are not being exaggerated. It is happening. Now, using those pretexts, they want to manage the natural resources of our countries. They are still investing millions and millions of dollars in weapons even though the Cold War has ended. They are not investing that money in development or in the search of a sustainable development. This is what was said in Rio de Janeiro.

If we were to analyze the difference between the gross national product per capita of Bangladesh and Switzerland, we will find the gross national product per capita in Switzerland is 200 times the gross national product of Bangladesh. The Swiss gross national product per capita is 200 times higher than the Bangladesh gross national product per capita. Two hundred times. Switzerland has the highest gross national product per capita, that is $40,000; other countries fall in the $32,000 to $30,000 bracket. The gross national product per capita of the developed capitalist countries is usually above $20,000.

But capitalism is not a fair distribution system. It is a regime of injustice, unequal distribution, and exploitation of man by man. This exploitation has a much worse connotation in Third World countries than in developed capitalist countries where, because of their fear of revolutions and socialism, they drafted systems of distribution that somewhat avoids the hunger that the people of Europe endured during the days of Engels and Marx. They have better distributed the wealth so that people will have the indispensable minimum they need to survive. This is something Third World countries do not have. The Third World does not have the money to do this.

What need do those countries have to continue growing? In a rational society, they could solve their problems simply through redistribution. They would not have people unemployed or continuing to pollute the atmosphere. We are already talking about, and feeling the effects of a change in the weather. In Latin America, you have seen calamities occur. These calamities were never observed in the past: unforeseen heavy rains and stronger hurricanes in some areas. These are all problems resulting from the heating of the atmosphere. Why did this happen? Who is polluting the atmosphere with carbon dioxide and other gases that cause these phenomena that also affect people's health? The developed capitalist countries. They are not only responsible for colonialism and underdevelopment, but are also responsible for damaging nature.

Most of the energy used in the world is used by the developed capitalist countries. If they are to continue to develop, they need to use more energy, more electricity, more coal, and other sources of energy, while the Third World has only an insignificant amount it can use. But there is another problem. For the Third World countries to develop, the economies of the developed countries must stop growing. This would be possible if a rational social system existed. However, it is impossible with this social system, it is impossible with capitalism, it is impossible with neoliberalism. It is absolutely impossible. But countries like Bangladesh and India, more than 100 countries, much more than 100 countries around the world, cannot stop using energy. The imperialists at the United Nations are not thinking about a rational government that will establish some order in the world. It is impossible for any form of rationality to result from capitalism or neoliberalism. However, were we to divide the amount of energy into quotas we can each use, we would need to solve the problems of those countries just beginning to develop. And to this, we must add another problem: significant population growth. This growth is many times higher than the production of food, many times higher than the increase of the Gross National Product per capita.

There are some who, with great cynicism, dream—imperialism probably has the same dream—that disease could solve the demographic problem on some continents. It is known, and tests have been done to prove that AIDS is strongly affecting some regions of the Third World. There are some imperialist theoreticians who believe that diseases like AIDS can solve the demographic explosion problem. They fear this demographic explosion. They are aware of what a demographic explosion would do in a Third World country. They fear for their safety. They are being selfish, thinking only of their own interests. They may find a way to stop the spread of AIDS. They can. They may have the money to tend those infected by the virus. But what happens on a continent like Africa where there are countries, in which 30 percent of the population is infected? Some countries have calculated that if their population growth was to be 3.5 percent a year, these health disasters may cause it to grow two, or 1.5 percent, somewhat solving the problem of demographic explosion. No matter how you analyze this situation, you will reach the conclusion that this society is unsustainable, that society that must grow, and grow, and grow, or perish. This is impossible. The world's objective condition does not allow this.

They use the example of countries that did develop under special circumstances because they had large markets and large sums of money available. These countries are: ROK, Taiwan, and Singapore. Then stop counting. And I ask myself... [changes thought] They then advise the other countries to follow Taiwan's example. They tell the Latin Americans that they must follow Taiwan's or the ROK's example. The Latin American countries would not have to be told to follow Taiwan's example if this were possible. However, we all know this is absurd and impossible. If China were to develop, that alone would be a nightmare [espanto] for all of the world's large economic blocs. China alone. It would be a nightmare. The day that China can produce as much as the ROK, Japan—is unthinkable. There are approximately 1.2 billion Chinese, and in 25 years, there will be 1.5 billion Chinese. China's Gross National Product per capita is approximately $500. Must China struggle to attain the same level of development as Switzerland or Sweden? It has been proven that all the material and energy resources in the world would not be enough. China must develop. A country like China, with the population it has, must have the right to develop. That is unquestionable. But, what kind of plan is this so-called neoliberalism offering? That every country should become a Taiwan, an ROK, a Singapore, the three much repeated examples. They also mention Hong Kong, but Hong Kong is a British colony.

One asks oneself: how can Haiti follow Taiwan's example? How can the African countries follow Taiwan's example if they do not even have universities, schools, qualified personnel, money, markets? Will they solve the development problems of the African countries with their neoliberalist plan? Capitalism cannot represent a future for the world because that would really be suicide.

Neoliberalism leads to genocide; not only will it lead Latin America to genocide, but the whole world. It is genocide. Neoliberalism is genocide. Capitalism is genocide for today's world. Just think for a minute about the problem of population. Hundreds of thousands of years had to go by before the world had 1 billion inhabitants. That was early in this century. Today the world population is approximately 5.560 billion inhabitants. In this century, the population on this planet will grow approximately 6 times. [Words indistinct] and 6 billion, which is what it will have, approximately, by the year 2000. The world population is growing at an approximate rate of 100 million inhabitants a year. It is growing at a rate of 1 billion inhabitants every 10 years. And if every 10 years, there are 1 billion more inhabitants—after taking hundreds of thousands of years to reach 1 billion—you will see the inconsistency of seeking a solution to the problem by way of capitalism and neoliberalism.

This growth rate is not always seen in the developed capitalist countries. The developed capitalist countries usually report a population that lives longer. There are even some cases in which a decrease in population is reported. This colossal growth of world population occurs in those countries where there is more poverty, calamity, hunger; in countries where there is no medical assistance and employment. That is the truth. What solution do neoliberalism and capitalism offer? What kind of future can neoliberalism and capitalism offer mankind? These are real, objective, mathematical matters that the capitalist, imperialist, and neoliberal theoreticians cannot defend. They do not have answers to this problem nor can they deny that this is true.

In Latin America, there was some talk about using some of the money from the privatization of enterprises to solve social problems. This is like a match that lights when it is struck, but burns for a very short while. Latin America got very little money from the privatization of enterprises. And in the end, they will have to pay out very much each year because of the privatization.

The problems you have been discussing are very important and we must all be aware of these realities. I believe that the way you think, the way you have reacted, and the fact that such a varied group of delegates were able to reach a consensus on important matters is proving how our peoples are viewing this situation. We cannot expect a very happy and prosperous 21st century. On New Year's in 2000, no one in Latin America, or in many parts of the world, will be able to wish each other a happy new century because signs of what lies ahead are already evident. There are many struggles and efforts ahead.

When the Socialist bloc collapsed, many people were discouraged, disheartened. Today, however, we see signs of hope and struggle everywhere. We have clearly seen that it will take a great deal of work to make a unipolar world possible, that it will be very difficult to form. Ruling the world will become impossible. It will be impossible for capitalism and neoliberalism to rule the world. The people's awareness is a tremendous weapon, especially when this awareness becomes action by the people. The awareness is already becoming action. It will not take very long for them to understand how difficult it will for them to rule the world. They are already frightened by some of the problems they have created. The problems they created with the disintegration of Yugoslavia already frighten them. They unleashed a serious situation in that country, and now they do not know how to solve it. They took food to Somalia on the end of a cannon. [applause] In the near future they may have to take food to all of Africa on the end of a cannon. The resistance put up by some of those hunger-ridden skeleton people against the U.S. select troops showed the empire how difficult it will be for them to rule the world. [applause]

They make big promises. I can still remember the promises they made in Nicaragua while they devised that dirty war. Daniel [former Nicaraguan President Daniel Ortega] must remember that even better than I do, the number of times they justified their actions against the revolution. They promised them a bright future. The Nicaraguans were told that with their help, Nicaragua would overcome all its problems. They arrived in Nicaragua with all their neoliberal formulas, and just look at the disastrous situation that country is currently experiencing. Plus they are not even capable of keeping their promises. After ending their dirty war, after removing the Sandinist National Liberation Front from power, they now give Nicaragua an insignificant amount of money each year. They cannot offer much because they need more money than anyone else. Domestically, as well as abroad, they are becoming more and more indebted each day. They haggle over money. How long did it take them to discuss the $100 million they had to send to Nicaragua? They kept setting condition after condition, domestic-type conditions. Imperialism's proficiency and lack of scruples allows them to try to impose their conditions on all countries, even a country as large and powerful as China. They are trying to impose conditions on China. They try to impose conditions in areas that are strictly domestic. They impose economic and commercial conditions.

How many hundreds of thousands of tons of bombs and weapons did they use in Central America and Latin America to support the genocide in Guatemala, to give you an example. While I was listening to Rolando [not further identified] speak, I recalled the action carried out to overthrow Arbenz [former Guatemalan President Jacobo Arbenz]. What did Arbenz' overthrow unleash in Guatemala? More than 100,000 missing people; more than 100,000 people in Guatemala alone. Impressive figures. What did the Chileans get? What did the Argentines get? What did the Salvadorans get? For years we witnessed the unstoppable flow of weapons, all sorts of weapons, into El Salvador. These weapons were to liquidate the Salvadoran revolutionary movement. However, they were unsuccessful. What can you expect of a promise made by the empire? What can you expect of the empire's conduct? Now they are murdering the leaders and cadres of the FMLN [Farabundo Marti National Liberation Front]. They are so stupid that they are doing this after achieving peace. They are killing the revolutionaries. What will the revolutionaries think? Who is going to surrender his weapon only to be murdered later? [lengthy applause and drumming] Who can believe in the intentions and promises of the imperialists? The oligarchies? That is what they are doing; that is imperialism, that is capitalism, that is neoliberalism.

How many Latin American lives have been lost in the past 25 years? Murdered, missing, tortured. Today we heard one of the Mothers of Plaza de Mayo express her grief for what happened in that country [Argentina]. Where did the weapons with which all those crimes were committed come from? Yet they are the ones talking about human rights. They are trying to show themselves before the world as barefoot virgins. Unbelievable. [applause] The amount of hypocrisy and cynicism present in the political minds of the empire is unbelievable, in their lack of scruples—to use any excuse and write any lie that they later use and multiply through their mass media. They have no scruples. We have lived that experience.

A committee discussed and later presented to the meeting a proposal to include in the declaration the need to begin fighting against the presence of U.S. soldiers in Latin America. I found that quite appropriate. [applause and drumming] It is quite clear, very clear, that part of the imperialist plan is to get our countries accustomed to the presence of U.S. troops in our territory. It is clear. That is part of the whole plan. What for? To build a couple of schools, a polyclinic, or let us say, a health station. I do not think the U.S. engineers are as productive as the Japanese, who can build these things in a couple of months. Several Latin American countries have programs to justify the presence of imperialist troops. They claim they are in those countries to carry out social works. Our countries do not need Yankee soldiers to carry out social works. [applause and drumming]

We have built many schools, polyclinics, family doctor houses, and more. Thousands upon thousands. And we have not needed a single drop of sweat of a U.S. soldier, nor does any Latin American country. It is quite clear that all this is part of a strategy to get us accustomed to the presence of those soldiers because, if the empire is going to rule us, then the Latin Americans should become accustomed to the presence and company of the Yankee soldier. What would happen if Cuba were to send a battalion of engineers? What a world scandal it would be if we were to offer a sister country a battalion to build schools, clinics, social works. [applause] There was a time when, from the material point of view, we could do it. When we wanted to build hospitals, we did. For example, following the earthquake in Peru, we built hospitals there. But we sent construction workers and engineers, not soldiers. [applause] When we wanted to build schools in Tanzania, schools similar to our primary schools in the rural areas, we did not send soldiers. We sent engineers and construction workers. Sometimes we even sent the building material. When in Vietnam we built roads and highways, agricultural centers, hotels, an important hospital near that parallel that divided the two countries, we did not send soldiers. We sent construction workers. We have done this in many countries. Soldiers are sent to fight. Soldiers are sent on military missions. It is much more expensive to send soldiers than construction workers. Much more expensive.

So I ask myself: What are they going to do? Do they want us to applaud the U.S. soldier? Do they want us to be grateful to the U.S. soldier? Do they want us to ask to be admitted to the Union? Do they want us to relinquish our independent flags and add a little star to their flag? Is that what they want? No. If we were to suggest that, they would probably say: No, this will probably be too expensive for us. No, no, they do not want that. [applause] So, what do they want? They want us to become accustomed to their military presence, and this truly hurts our people's feelings and sensitivities. Those are the methods employed by imperialism. I asked earlier, what would happen were we to do something like this in a Latin American country? This will give you an idea of the empire's logic, the way the empire thinks.

Here in our country they also want us to get on that New World Order carousel. The only thing they ask of the Revolution in order to put an end to the blockade, to end that criminal and unfair blockade, is that we renounce socialism, that we renounce our democratic system. We can tell them that during the elections, 95 percent of our people will vote and in the United States they do not vote. [applause and drumming] I will not take time to explain the whole problem, but they are asking us to adopt the U.S. style of living, the U.S. democracy. They would abolish our party's leadership. Our party has an historic origin and course. Marti, whose anniversary we commemorate today, [words indistinct] party to lead the people in the struggle for independence, and we need a party to lead the people in their struggle for the Revolution, to protect our sovereignty and independence. [applause and drumming] However, our party does not nominate candidates. The candidates are nominated by the people; they are directly nominated by the people. The people actively participate in the nomination of the candidates. The party does not campaign for candidates and does not nominate. It is a party, but it does not nominate. They also have their party. There is hardly a difference between the Republican Party and the Democratic Party. They are like two drops of water. [applause]

The empire is a single-party system; neoliberalism is a single-party system; the role of world police is a single-party system. There is no longer a Cold War, the socialist bloc no longer exists; however, the defense budget is going to be the same as in 1993, not a single cent lower. Why do they want such huge Armed Forces? To play the role of world police, to carry out worldwide interventions. That is very clear. All the budgets are being cut, except for the defense budget. It is truly unbelievable and totally lacking in logic, especially after they said that the Cold War is over. It seems they are preparing for a hot war against the Third World countries. That is why they want to have military bases all over the place. That is why they want to intervene all over the place.

Now they are even talking about a Latin American summit. Why? For one reason: They know Cuba participates in Latin American summits and Ibero-American summits, whichever you wish to use. They want summits that do not include Cuba. Cuba is, by every definition, excluded from this type of meeting. They have no hopes of their engineers coming here to build [words indistinct] because Cuba resists, because Cuba defends its sovereignty and independence. So, Cuba must be punished; Cuba must be blockaded. Cuba must be forced to yield because of hunger; Cuba must implode, to eliminate even the slightest memory of Cuba. They will not forgive us for the 35 years of resistance that our heroic people have carried out. They do not want the slightest memory of that to remain. They want Cuba's image to disappear from the eyes of Latin Americans. That is what they are attempting. The whole world knows this. They are trying to take revenge on our Revolution.

Of course, after the collapse of the socialist bloc, the blockade became even worse for us. The blockade was always harmful to Cuba, but we were able to defend ourselves when we could count on the socialist bloc's economic and trade relations and markets. We also received economic cooperation from the socialist bloc. For you to get an idea of what the collapse of the socialist bloc meant for us, I will tell you that our imports dropped 70 percent. What country in this hemisphere, or any other part of the world, could tackle such a situation under a capitalist system? Our imports dropped by 70 percent. This will give you an idea of how much this country lost with the collapse of the socialist bloc and the disintegration of the USSR. However, you can see the difference between socialism and capitalism. We have managed. We have written a page of historic feats. We have resisted for the past three years, despite the heightening of the blockade following the passing of the repulsive Torricelli Law.

Despite the situation, our country has not closed a single school or hospital. In other countries, this would be an excuse to close schools. Not a single teacher or doctor is unemployed. Can you see the difference between a rational and humane idea and a cruel, absurd, irrational idea, such as the idea of our out-and-out enemy? I know many of you will be amazed at what we have done to share what little we have, among ourselves. We are carrying the terrible burden of these difficult years. Many projects had to be abandoned and we lost a great deal of money. Let me just tell you that of the approximately 14 million tons of fuel we used in the past, we have used only approximately 6 million tons in these past three years. Not only has our fuel supply been affected by the collapse of the socialist bloc and the blockade, but we also ran out of fertilizers, animal feed, many raw materials that are indispensable for the functioning of our economy. We ran out of spare parts. Twice in history have we experienced a similar situation—when the Revolution triumphed and when the socialist bloc collapsed.

It would be an endless task to describe our people's efforts under such very difficult conditions, difficulties that include those who are trying to create a situation in which the survival of the Revolution becomes impossible.

But we have a people who know what capitalism is, and I can assure you that our people do not want a return to capitalism. [applause and drumming] Our people talk and discuss at length the measures that must be adopted for the survival of the Revolution, for the fulfillment of the objectives of defending the fatherland, the Revolution, and socialism. And not only that, but also for our development, to the extent possible, beginning with the technical and cultural level achieved by our people. This is a great advantage and it will help us a great deal. I mentioned spare parts, the millions of spare parts—and our workers have confidence in the raw material—the workers make on the lathe to keep equipment running, to keep industries operating when we have energy and when we have fuel.

Our workers in the energy areas are also making a tremendous effort to maintain the electricity plants, to keep generating electricity by using our oil, of which there is not much and which is very heavy. This oil is also used to run the steam boilers to produce cement, to produce a minimum of electricity to keep the country moving.

Our petroleum workers are also making a tremendous effort in the quest for more oil. They are making a tremendous effort in saving fuel and energy. I can assure you that this is an admirable battle.

It is true that, considering the conditions under which our people have been living in the current world, we had to, with a pragmatic sense, adopt certain measures and make certain changes that are motivated not by the idea of moving away from socialism, but by the idea of saving socialism. [applause]

We have sought economic associations with foreign capitals, especially with those that could contribute capital, technology, and markets. When these three things are provided, we have no problems. Because we are blocked: We have no capital for investment, we do not have certain technologies, and we have no markets. The situation forces us to adopt certain measures that otherwise we have not adopted.

I have heard say that many of our friends are concerned about reports on, for instance, decriminalization of the dollar. But this would take too long to talk about. It would take me too long today to give you a thorough explanation of all these measures, measures we are adopting and which have been imposed on us by the current economic situation. But whenever we can preserve an industry as a national industry, we do preserve it. If even a hotel, such as the Hotel Nacional, needs to be preserved, we will preserve it. Anything that needs to be preserved, we will preserve. We have been forced to adopt certain measures we would never have adopted, save for this special period we are enduring. It is hard.

Well, we had to develop tourism, even though we know that it can produce positive or negative results. But, as I was saying last night to a group of Ecuadoran comrades with whom I was conversing, we must learn to be pure, but not in a cloister. We must learn to be pure, but not in a crystal urn or ivory tower. We must learn to be pure while in contact with vice. Vice develops virtue more than uncontaminated purity does, more so than being in contact with bacteria or viruses. [applause and drumming]

They say that many peoples [words indistinct] as if these people had not been the ones who discovered [words indistinct], and how. Disease was rampant. They did not have the antibodies to fight those viruses and bacteria, or parasites, brought here from Europe. It is a pity we did not have bacteria and parasites against which the conquistadors had no immunity. But they did bring their diseases and this cost tens of millions of lives, in addition to those who died because of slavery and exploitation. I was telling them that our Revolution will not be weakened by this situation. It will come through even stronger. Much stronger. [applause and drumming]

The road ahead is a long one, but we will learn to be much more efficient. We will harvest great experiences, greater than the ones we are currently harvesting. We are working with practically nothing. Our revolutionary determination will come through these times with greater strength. Steel is forged at many hundreds of thousands of degrees of heat. Our patriotism will be strengthened. Our awareness will be strengthened. We have lost none of our awareness of the problems experienced by the world. We have not lost awareness of our revolutionary duties. Our ideas will be strengthened and our love for the Revolution and socialism will be strengthened. [applause] Our rejection of and repulsion for capitalism, for the capitalist system and neoliberal ideas, will be strengthened. Our people will be strengthened. We do not wish to return to the past. I can tell you that we do not want even the smallest corner of one of those stars the imperialists wish to add to their flag. We have enough with our star. [applause and drumming] We have enough with our star, our solidarity star. Today it may be solitary, but tomorrow it will be united with the peoples of Latin America and the Caribbean. [applause] The only way our star can descend from its triangle is to join the emblems of the united peoples of Latin America and the Caribbean. [applause] I hope there will always be some red there because we cannot renounce red. [applause] We will never renounce, nor do we want to renounce, red. [applause] Much blood has been shed and sacrifices made in the name of that flag.

We do not wish to be another Miami, Florida, Texas, or any of those states. We wish them good luck. We hope they will change their views. We hope they will change. However, we do not look toward the North, we look toward the South. And when we take an overall look, we look at the whole world in the hope that it will survive, that man will find enough energy and intelligence to survive, that mankind can find enough awareness and spirit to struggle because only by struggling against anarchy, the madness of the empire, and the system it represents will mankind be able to survive. Yes, we would approve of a universal government, but a universal revolutionary government, [applause and drumming] not that imperialist, reactionary government that the UN Security Council wishes to give us.

We struggle for these objectives and ideas. We can do very little, but it makes us happy to put in our grain of sand. The salvation of our peoples will be the work of millions, of hundreds of millions. The salvation of the world will be the work of thousands of millions of people around the world. But we need more awareness. We need more of what you have been talking about here. We need more ideas, those basic ideas that must be spread around for everyone to hear. It has been proven, and there are many proofs that no people is weak, no people is weak enough to be subjugated. Today's Indians, all of us, all Latin Americans and Caribbeans—and I hope you will accept us in that honorable family [applause and drumming]—hundreds of millions who, at the rate we are growing, will grow to approximately 1 billion in the next 25 years—will not be easily dominated, conquered, or subjugated. It will be that way so long as the ideas expressed and defended here are spread to the peoples of Latin America. We can say that the peoples are like grass during a great drought, they absorb ideas just like the grass absorbs water, and they can be ignited like gunpowder can be ignited. Those ideas must be spread. Those ideas are potentially in the hearts of dozens of millions, not to say hundreds of millions of Latin Americans and Caribbeans. I believe that your ideas will continue to be perfected and more ideas will be drafted. The peoples are learning on the streets what imperialism, capitalism, and neoliberalism are all about. It is not difficult to work on this basis.

Someday, some distant day, we will see that this was all an imperialist dream when it thought it had conquered the world. However, it was far from being able to conquer it. The peoples are growing more and more aware of their strength. We will struggle for our causes and our flags. We are willing to endure any sacrifice for those causes and flags. The least of those sacrifices would be the giving of our lives. [applause and drumming]

On behalf of our people, I thank you for the uncountable demonstrations of solidarity for our country. This encourages us and heartens us. The names of these meetings are of no importance. In one way or another, we know who we are and what these meetings can do. [applause and drumming] We leave this meeting strengthened, with our progressive spirit multiplied. I will not use the word revolutionary, so that no one in this hall will feel left out. [applause] Our anti-imperialist spirit will be strengthened; our anti-neoliberal spirit will be strengthened. Our anti-capitalist spirit will be strengthened. Not only the spirits of those who attended this meeting have been strengthened, but [words indistinct]. Our eternal gratitude go to you, [words indistinct] Latin America and the Caribbean. [applause and drumming]

Allow me to repeat our slogans here where I know no one will be frightened by them: Socialism or death; [crowd shouts "We will win!"] fatherland or death; we will win! [crowd shouts "We will win!; applause and drumming]

Castro: Entire World is in 'Special Period'

FL2901032894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 29 Jan 94

[Report by journalist Dania Diegues from Convention Center in Havana; passages within quotation marks recorded Castro remarks]

[Text] Commander in Chief Fidel Castro today gave the closing speech at the Fourth Latin American and Caribbean Meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of Our Peoples.

"I think that not only Cuba is going through a special period. All of Latin America is going through a special period. I say that the nations of the Third World are in a special period. I say that the world itself is in a special period, except for the superprivileged minorities that flaunt power even in the developed capitalist countries. There are, in the United States, a developed country, Hispanic populations, populations of Hispanic origin, which are suffering terrible conditions there. Every black population of the United States could be called the Third World within the United States. One cannot speak much about indigenous populations over there in the United States because they exterminated them."

The question those attending this meeting of social and people's movements asked themselves was: Is capitalism the only path to development for the hemisphere? No!

[Castro] "Capitalism is fated to devour itself. Since... [rephrases] First it created colonialism. With colonialism, it created underdevelopment, by virtue of which 80 percent of mankind, over 4 billion people today live in poverty, although there are a number of rich people in many of those countries—people quite rich indeed. But three-fourths... [corrects himself] four-fifths of mankind belongs to that underdeveloped world; we could say, to that Third World. And that is where the very serious problems, and the very serious contradictions arise—from the fact that capitalism is obliged to grow nonstop. If the growth stops, it is a catastrophe, for the United States, Japan, or Europe. Factories are shut down. Production and service businesses go bankrupt, banks fail, insurance companies fold. The system fails when expansion stops.

And a system that is obliged to expand continously is disastrous for the world. Besides, it is illogical. It is absurd. And just look at the kind of things people do, precisely right now, at a time when hunger is growing in the world, when there is more hunger than ever—and more poverty. How did they solve the problems between Europe and the United States over the agricultural matters? They agreed to kill millions of cows in Europe. Millions of cows. To kill millions of cows when there are hundreds of millions of children who do not drink milk is a crime, [repeats] a crime!" [applause]

A consensus was reached that unity among our peoples is indispensable. On the 141st anniversary of the birth of Jose Marti, one of the predecessors of Latin American unity, we are still crying out for it.

Castro Says U.S. Planned 'Summit' Aimed at Excluding Cuba

PA2901152894 Madrid EFE in Spanish 0756 GMT 29 Jan 94

[Text] Havana, 29 Jan (EFE)—Cuban President Fidel Castro said today, Saturday, the American "summit" the United States is planning is aimed at excluding Cuba.

"They know quite well that Cuba as a rule participates in Ibero-American summits and that by definition we will be excluded," the Cuban president said.

"They intend to punish Cuba, starve her to death, and encourage an explosion in such a way that not one shred of memory will remain and thus retaliate against the revolution," Castro told more than 1,000 delegates representing leftists organizations and movements gathered in Cuba to participate in a meeting of solidarity toward Cuba.

Castro said, however, that with the changes taking place which are aimed at attracting foreign capital, "the revolution will strengthen, just as our rejection and contempt toward the capitalist system as well as for neoliberal conceptions will strengthen."

"We must learn to be pure, not isolating ourselves in a crystal vase or an ivory tower, rather, by coming into contact with shortcomings, because shortcomings develop virtues more than uncontaminated integrity," the Cuban president added in reference to the country's need to develop the tourism industry.

Fidel's address, which lasted nearly two hours, was constantly interrupted by an audience that had been won over beforehand and—after having debated "neoliberalism and its disastrous consequences to Latin American countries"—did not cease to express their support for Cuba and its revolution.

Practically all of the organizations present at the meeting issued a communique condemning the U.S. economic blockade against the island, a censure that was extensively expressed in a final declaration.

"We are being ordered to renounce socialism and our democratic system as a precondition to their lifting the blockade and to adopt democracy such as the type practiced in the United States; yet, they also have a single party system," Castro added.

"The Republican Party and the Democratic Party are as similar as two drops of water, which is why the empire is a single party and neoliberalism is also a single party," Castro said.

The Cuban revolution leader—who said "the imperialists are robbing whatever formal autonomy we have left"—stipulated that "the presence of U.S. military troops in several Latin American countries is intended for us to get used to their presence."

"If the empire is going to govern us, he said, we should better start getting used to the presence and company of Yankee soldiers. This is also part of the plan."

Over and over, Fidel Castro aimed his attacks against adjustment policies and "international economic globalization," because, in his opinion, that means the Third World countries are "subject to the whims of multinational corporations, more than if they were colonies."

"We Latin Americans are becoming Indians, because we are being conquered once again; we are being rediscovered. They are trying to starve us to death, and if we do not fight back and defend ourselves, we will end up being starved to death," Castro said.

The Cuban president recalled that Latin America's external debt is close to $500 billion, and "they are collecting it now more than ever, because there are countries that are paying more than 50 percent of their national budget and later on do not have enough to meet the basic needs of their respective populations."

At the beginning of his speech, Castro cautioned the delegates that he could not express himself with the same freedom as the delegates had been able to do, "because it is not the same to be a guerrilla as being in the government."

"I hope no one expects me to incinerate myself at the conclusion of this meeting," Castro said with a smile after listening to speeches by the Guatemalan guerrillas, the Farabundo Marti National Liberation Front [FMLN] of El Salvador, several Mexican organizations calling for the acknowledgement of the Zapatist National Liberation Army and others.

"The revolution in power is responsible for the life or death of eleven million people, and that compels us to be cautious when we say what we are thinking, because it could mean breaking off diplomatic relations with certain countries," Castro added.

He explained later, however, that "I feel just like the revolutionary I have always been. Nowadays we have more experience; ideologically we have not taken one step backward, and everything we do is to ensure the survival of the revolution."

Views Need To Adopt Pragmatic Measures

FL2901160894 Havana Radio Progreso Network in Spanish 1100 GMT 29 Jan 94

[Text] The Fourth Latin American and Caribbean Meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of Our Peoples ended last night in Havana. We have a recorded portion of the speech delivered by Commander in Chief Fidel Castro on the occasion:

[Begin recording] It would be an endless task to describe our people's efforts under such very difficult conditions, difficulties that include those who are trying to create a situation in which the survival of the Revolution becomes impossible.

But we have a people who know what capitalism is, and I can assure you that our people do not want a return to capitalism. [applause and stamping] Our people talk and discuss at length the measures that must be adopted for the survival of the Revolution, for the fulfillment of the objectives of defending the fatherland, the Revolution, and socialism. And not only that, but also for our development, to the extent possible, starting with the technical and cultural level achieved by our people. This is a great advantage and it will help us a great deal. I mentioned spare parts, the millions of spare parts—and our workers have confidence in the raw material—the workers make on the lathe to keep equipment running, to keep industries operating when we have energy and when we have fuel.

Our workers in the energy area are also making a tremendous effort to maintain the electricity plants, to keep generating electricity by using our oil, of which there is not much and which is very heavy. This oil is also used to run the steam boilers to produce cement, to produce a minimum of electricity to keep the country moving.

Our petroleum workers are also making a tremendous effort in the quest for more oil. They are making a tremendous effort in saving fuel and energy. I can assure you that this is an admirable battle.

It is true that, considering the conditions under which our people and we have been living in the current world, we had to adopt certain pragmatic measures and changes. The workers are motivated not by the idea of moving away from socialism, but by the idea of saving socialism. [applause]

We have sought economic associations with foreign capitals, especially with those that could contribute capital, technology, and markets. When these three things are provided, we have no problems. Because we are blocked: We have no capital for investments, we do not have certain technologies, and we have no market. Thus, if the situation forces us to adopt certain measures, we must adopt them.

I have heard talk of the concerns of many of our friends over the reports heard about, for instance, punishing those who have dollars. But this would take too long to talk about. It would take me too long today to give you a thorough explanation of all these measures, measures we are adopting and which have been imposed on us by the current economic situation. But whenever we can preserve an industry as a national industry, we do preserve it. If even a hotel, such as the Hotel Nacional, needs to be preserved, we will preserve it. Anything that needs to be preserved we will preserve. We have been forced to adopt certain measures we would have never adopted, save for this special period we are enduring. There are doubts. Well, we had to develop tourism, even though we know that it can produce positive or negative effects.

I was saying that our Revolution will not be weakened. It will be strengthened by this special period. [end recording]

Castro Wants More Third-World Nations in Security Council

FL2901162594 Havana Radio Rebelde Network in Spanish 1255 GMT 29 Jan 94

[Report from Havana Convention Center by Reporter Belkis Joglar]

[Text] Addressing the more than 1,000 delegates who are participating in the Fourth Latin American and Caribbean Meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of Our Peoples, Fidel said that since the disappearance of the socialist bloc, imperialism has tried to destroy us in all fields, seeking to overshadow us with its society of consumption.

[Begin Castro recording] Through the transnational media, they control practically all information. They report on all world events. The television stations that are watched are practically only those that belong to them. And they are not paying much attention to the densely populated areas [superbarrios], only to Superman. [applause and drumming]

Formal independence is being gradually eliminated, using the UN Security Council as the instrument. We therefore considered very reasonable the participant's proposal that the problem involving the United Nations should also be included in this declaration. The democratization issue is not democratic at all. They are talking about democracy; but the fact is that only one group of countries, no more than five, has the right to veto. The same number of countries had veto power when the United Nations consisted of 50 nations; today there are almost 200, and the number is increasing. And this is not the consequence of the liberation movement but of the disintegration of certain states, which was also promoted by imperialism. [end recording]

In the United Nations there are only five countries with decisionmaking powers; and when they talk about change, they are only seeking the entry of other powerful countries. At least two African and two Latin American nations, and India, must be included in the UN Security Council, Fidel said.

Alarcon Expresses Satisfaction With Visit to Belgium

FL2901151894 Havana Radio Progreso Network in Spanish 1100 GMT 29 Jan 94

[Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, has expressed his satisfaction with his visit to Belgium, and added that his contacts with political figures of the European Parliament have contributed to a better knowledge of the situation in Cuba, which is enduring one the most complex situation in the history of its revolutionary process.

Alarcon Arrives in Bonn for Official German Visit

FL3101015794 Havana Radio Reloj Network in Spanish 2031 GMT 30 Jan 94

[Text] Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP], arrived in Germany to carry out an official visit aimed at improving and strengthening relations with the federal German legislature. Alarcon is scheduled to meet with regional government and parliamentary leaders from the city of Bremen, as well as with representatives of the industrial and local navigation companies.

Alarcon arrived in Bonn from Brussels, where he had met with Belgian officials of the European Parliament and with representatives of organizations in solidarity with Cuba. During their Belgian visit, the Cuban delegation participated in an activity at the Free University of Brussels for lifting the U.S. blockade. The event had begun with seminars on the Cuban situation.

Commentary Views U.S. 'Meddling' in Latin America

PA2901221594 Havana Radio Havana Cuba in Spanish 0100 GMT 28 Jan 94

["Our America" commentary by Manolo Ortega]

[Text] Meddling and cynicism are faults inherent to high-ranking U.S. officials, but this does not mean that our countries have to eternally tolerate this.

Alexander Watson, U.S. assistant secretary of state for inter-American affairs, recently visited a few Latin American countries, logically, and gave his opinion on some hot topics. He must have believed his ideas were very sharp, but instead, he displayed offensive cynicism and openly meddled in the internal affairs of the peoples of this part of the world.

Watson, who was once ambassador to Peru, said he hopes that country rapidly implements recommendations made by an international committee of jurists to reform the Peruvian judicial system—recommendations the Peruvian justice minister rejected.

As if this were not bad enough—recommending that Peru reform its judicial system, proof of meddling—where he truly excelled was in his comments on the Mexican State of Chiapas. Watson very self-confidently said in Washington that the insurrection in Chiapas State was linked to problems created by acute poverty and the government's incapacity to adequately address basic problems. What happened in Chiapas State, added Watson, is a good example of things that can destabilize a government system; doubtless, it proves that poverty, negligence, and failure of the governments to properly address the peoples' concerns can cause very serious consequences over time.

Regardless of the conclusions reached by the Mexican Government following the painful events in Chiapas State, it is unacceptable that the U.S. envoy should issue such meddlesome opinions. In addition, one would need to ask this gentleman if he has forgotten who is to blame for our peoples' living and dying in poverty. Alexander Watson forgets that it is precisely the organizations headquartered in Washington and New York that have imposed the immoral and inhuman adjustment plans that are leading our countries into the most desperate poverty. No, Watson does not forget that. What happens is that it is easier and more paternalistic to issue opinions no matter what, meddle, and blame what happens at a certain moment to the government of the country involved.

But the meddlesome recommendations by the new U.S. colonial minister went further. At the end of his delivery, Alexander Watson said that the United States will have to work hard with its hemispheric friends to reduce poverty. He stressed that everywhere there is much needed work to make governments more efficient, open, and honest. The only thing left is for the U.S. Government to teach Latin American governments how to be more efficient and especially more honest. The United States is not exactly a shining example of honesty.

If the United States was really interested in helping the problems of Latin American countries, it should start by casting aside the imposition of economic projects that lead people to extreme poverty and very justifiable uprisings.

Our countries know very well what is good for them and also know how to be efficient. Our countries do not need any U.S. official to tell them how to handle their resources and knowledge. What our countries need is less meddling and greater respect, and most especially, that they not be looted.

FAO Ambassador Denounces Conditioning of Assistance Funds

FL2801130494 Havana Radio Rebelde Network in Spanish 0000 GMT 28 Jan 94

[Text] Juan Nuriy Sanchez, Cuba's representative at the meeting of governors of the Food and Agriculture Organization headquartered in Rome, has denounced the attempt of a group of developed countries to set conditions on the assistance they contribute to the Third World. Ambassador Nuriy said Cuba laments that the process of consultations on the fourth reinvestment of funds from that organization served as a vehicle for anticipating the conditioning of aid from the rich countries to the poor nations through so-called reforms of the organization.

The Cuban representative and those from Mexico and Argentina were reelected to the board of governors by the developing countries and all concurred in pointing out that there are principles that must be respected and that are untouchable, such as unconditional and disinterested assistance.

New Business Publication Begins Circulation

PA3101035094 Madrid EFE in Spanish 2118 GMT 30 Jan 94

[Text] Havana, 30 Jan (EFE)—The new OPCIONES weekly publication, which is geared to diplomats and businessmen, began circulation in Havana today, Sunday. It is ascribed to the JUVENTUD REBELDE newspaper, which is considered to be the number two paper in circulation and demand in Cuba.

The weekly OPCIONES will cover economic, publicity, finance, stock market, commerce, tourism, international and national politics, and cultural issues in its 24 pages. It will also have commercial advertisements and a guide for tourists.

The new publication will cost $1 and will be sold at special tobacco shops and at tourist centers on the island. Its promoters have pointed out that their publication attempts to contribute to the financing of the weekly JUEVENTUD REBELDE, mouthpiece of the Communist Youth organization.

OPCIONES is the Cuban-edited publication with the greatest number of pages—after BOHEMIA with 73 pages and GRANMA INTERNACIONAL with 16—and currently has an approximate 3,000-copy edition and possibility of increasing it to 5,000.

Haiti

Aristide Spokesman Issues Statement on Canadian Talks

FL2801231994 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Jan 94

[Text] The following is a press release signed by Jean-Claude Martineau, spokesman for President Aristide. The communique reads as follows:

A working session between the Haitian delegation, led by President Jean-Bertrand Aristide; and a Canadian delegation, led by Andre Ouellet, minister of foreign affairs, took place on 24 January at the Ministry of Foreign Affairs in Ottawa. The session's agenda included the following points: the Haitian crisis; the United Nations file; the training of a managerial staff for a national police force, as provided for in the Governors Island agreement; and Haitian-Canadian bilateral cooperation. The two delegations agreed on the following points:

To disentangle the Haitian situation, the embargo must be total; this will shorten the duration of the crisis.

Other countries should be added to the four friendly countries that now include Canada, Venezuela, the United States, and France.

The police force can be trained outside of Haiti. It will be done either with the collaboration of the United States or with the participation of several friendly countries. This force will receive training not only in maintaining order and safety, but also in respect for the law and the Constitution.

The two delegations reviewed several branches of activity in which Haitian-Canadian cooperation will be broadened following the return of democracy to Haiti: education, literacy, cooperative communication, and energy. Also discussed was a radio station that would allow the Haitian people to be well informed about what is being done and said on their behalf throughout the world. This would break the rule of silence and disinformation imposed by the military regime.

This press communique is signed by Jean-Claude Martineau, spokesman for President Aristide.

Demonstrators Demand Dissolution of Parliament

FL2801182394 Port-au-Prince Signal FM Radio in French 1130 GMT 28 Jan 94

[Excerpts] On 27 January, several dozen people demonstrated without incident, in front of the Haitian parliament in Port-au-Prince, against the embargo and for the installation of a government of public security. The demonstrators, who included some from the provinces, especially the Plaine Central, used as their authority the recent people's congress held at the initiative of notables in the north. They chanted slogans hostile to the parliamentarians and the international community, demanding the lifting of the embargo. Uniformed and armed police were inside the parliament [words indistinct]. Since the congress, Haitian deputies have rejected a petition demanding the installation of a ruling triumvirat and the dissolution of the parliament. Jean Luckenson reports:

[Begin recording, in Creole] [Luckenson] On Thursday, 25 January at about noon, dozens of young men and women demonstrated in the streets leading from Rue des Miracles and Rue des Casernes to the Haitian parliament. They were protesting the embargo and the return of the president elected on 16 December, and demanding the dissolution of the parliament while calling on [national founder] Father Dessalines to return to help them. The demonstrators said they would block the country if their demands were not satisfied. [passage omitted]

The demonstrators, parading before the front and rear gates of the parliament, carried a big Haitian flag and placards that expressed the demands of their home areas. We saw several pickups, filled with policemen, parked a few meters from the demonstrators to ensure their safety. Deputy Pierre Francois Vital, in reaction, supports the objectives of the demonstration and emphasizes the parliamentary dissolution demanded by the demonstrators. According to the Alliance [for Parliamentary Cohesion], nothing has been accomplished in the chamber for three years.

[Vital] As long as this chamber is there, nothing can be done in Haiti because whoever is at the palace as president or in the government of Haiti will always have problems with this chamber. In my opinion, unavoidably, regardless of whether one has worked well, whether or not one has some money saved up, I see that the parliamentarians must leave in order to give the country a break because they are like a band of children who are always joking. [passage omitted]

[Luckenson] Deputy Denis Saint-Fort believes it is normal for the demonstrators to express their opinions. It is democracy, and there must be pressures for anything serious to be accomplished. As for dissolution of the chamber, the deputy has reservations; but regarding the [lifting of] the embargo, he agrees 100 percent because it is one of the biggest cancers gnawing our society. [passage omitted]

I must tell you that a few minutes after the demonstration began, the members of the National Front for Change and Democracy Parliamentary Bloc hastened to run off, one after another. But there was an important safety device inside the parliament grounds. Several other deputies and senators, who arrived two hours later while the demonstrators were in front of the gate, got out of their cars with gun in hand to enter the parliament. [end recording]

Army Protests U.S. Decision To Cancel Passports

FL2801221594 Port-au-Prince Signal FM Radio in French 1130 GMT 28 Jan 94

[Text] The General Command of the Haitian Armed Forces [FADH] denounces the motive behind the 26 January statements by by the U.S. Embassy spokesman in Haiti, which announce the cancellation, over the next few days, of officers' visas. This calculated measure is shameful blackmail aimed at destabilizing another national Haitian institution and taking it hostage, the General Headquarters press release adds.

The communique issued by FADH General Headquarters stresses that the ideal of the Haitian military, nourished by the lessons of its national history, is concerned with duty to country, thus enablling the unified military institution to continue defending the ideals of freedom, sovereignty, and greatness, which have always roused the Haitian people.

Chamber of Deputies Supports Business Activity Stoppage

FL2801182194 Port-au-Prince Radio Metropole in French 1145 GMT 28 Jan 94

[Text] The Haitian parliament solicits the trust of the population and condemns the embargo. In a press release supporting the initiative of the business sector to halt all activities for a two-week period, the president of the new office of the chamber has called on the international community to lift the embargo. Frantz Robert Monde considers that by this measure the international community is killing, impoverishing, and destabilizing the basic institutions of democracy and is marginalizing the Haitian people. Through the resolution of the Chamber of Commerce, the president of the Chamber of Deputies thinks that the Haitian private sector has denounced the embargo and has sounded an alarm.

Labor Unions Protest Employers' Work Stoppage

FL2801215994 Port-au-Prince Radio Metropole in French 1700 GMT 28 Jan 94

[Text] The labor unions, CATH [Autonomous Organization of Haitian Workers], CGT [General Central of Workers], CTH [Confederation of Haitian Workers], FOS [Federation of Workers Trade Unions], OGITH [General and Independent Organization of Haitian Workers], and KOTA [Confederation of Haitian Blue-Collar Workers] protest the employers' initiative to stop work. The labor union sectors see those arrangements as unilateral and the coup de grace to the workers' organizations, which will become organizations of unemployed people.

According to members of the labor unions, the employers' associations want only to avoid their responsibilities in paying the workers. The various labor unions are ready to meet with the other sectors of national life to search for a solution to the Haitian crisis.

Senate Office Warns Against Parallel Institution

FL2801231894 Port-au-Prince Radio Metropole in French 1700 GMT 28 Jan 94

[Text] The Senate office warns against the formation of a parallel office at the initiative of certain senators and of those whose election on 18 January is contested. The office, led by Senator Firmin Jean-Louis, indicates that the various resolutions issued by this parallel office cannot in any way contribute to the solution to the crisis. The office advises the concerned parties that any act emerging from those sessions, which are considered illegal, can compromise the parliamentary institution.

The Senate office invites the 18 January elected to regain their self-control, to respect their identities, and to let the senators' assembly work on the burning issues of the moment.

Jamaica

Japan Reschedules $14 Million of Debt

FL2901132394 Bridgetown CANA in English 2105 GMT 28 Jan 94

[Text] Kingston, Jamaica, 28 Jan, CANA—Japan, Jamaica's second largest bilateral creditor behind the United States, has rescheduled 1.4 billion yen (about 14 million US dollars) of the island's debt.

The agreement, signed this week, is part of arrangements with Paris Club member countries allowing Jamaica to receive support for its economic reform programme through debt-resheduling arrangements.

Under the agreement signed by Finance Minister Omar Davies and Japan's Charge d'Affaires in Kingston, Hiroshi Funakoshi, repayments of the debt will begin in September, 2000 and should be in 18 installments at an interest rate of 8.2 per cent annually.

Up to October last year, Jamaica owed Japan just over 350 million US dollars. Jamaica's external debt currently stands at 3.64 billion US dollars.

St. Vincent and the Grenadines

Former Minister To Run as Independent Candidate

FL2901131794 Bridgetown CANA in English 19146 GMT 28 Jan 94

[Text] Kingstown, St. Vincent, 28 Jan, CANA—Former minister in the ruling New Democratic Party government in St Vincent and the Grenadines, Burton Williams, will be running as an independent candidate in next month's general elections, the Electoral Office has reported.

Williams is among four independent candidates who have been allocated electoral symbols for the poll. He has chosen the hand as his symbol and will be vying for the South Windward constituency which he has represented in Parliament since 1984.

Williams, a former minister in the office of Prime Minister James Mitchell, resigned from government two weeks ago telling journalists he wanted more time to devote to his constituency.

However, a release issued theough the Government Information Service quoted Williams' resignation letter to Governor-General Sir David Jack as saying he was no longer going to tolerate Mitchell's contempt and disrespect towards Vincentians.

Mitchell later said Williams' resignation was prompted by the party's decision not to field him as a candidate for the February 21 general election.

The former minister has been on the campaign trail since he announced his resignation. Election officials said they have allocated symbols for three political parties and four independent candidates, one of whom is a younger brother to Williams.

Candidates are expected to make an EC500 dollar (one EC dollar - 37 cents US) deposit and be nominated by six registered voters in the constituency to have a valid nomination.

A preliminary list shows there are 66,793 persons registered to vote compared with 61,091 in the last poll of 1989.

Army Holds News Conference, Urges Political Solution

PA2801152294 Mexico City NOTIMEX in Spanish 0535 GMT 28 Jan 94

[Report by Victor Godinez and Antonio Torres]

[Text] Tuxtla Gutierrez, Mexico, 27 Jan (NOTIMEX)—In an unprecedented action in modern Mexican history, the Army today held a news conference in which it spoke out for a political solution that may reestablish peace in Chiapas State.

General Miguel Angel Godinez, commander of the 7th Military Region, said the Mexican Army is closely following the contacts between Commissioner [for Peace and Reconciliation in Chiapas] Manuel Camacho Solis and the armed groups to find a peaceful solution to the problem. Godinez asserted that the so-called Zapatist National Liberation Army [EZLN] cannot be called an "Army" because an army must be an institution and in each country there is only one.

He criticized the fact that the armed groups cover their faces with ski masks, "they have no reason to cover up; no matter how covered up he may be, a soldier will not commit a crime, therefore, for us, (the EZLN members) are criminals and transgressors of the law."

Godinez denied that Mexico is at war: "We do not recognize nor do we accept that the country is in a state of war, because we are fighting a group that has dedicated itself to committing armed crimes." He defined the Mexican Army position: "Our position is for legality, stability, peace, and work; and their's (of the EZLN) is for breaking the law." "In spite of the foregoing, we have not persecuted them in the jungle, even though we more or less know where they are, very close to Ocosingo, as we prefer that the government handle this problem politically," he said.

The commander explained that in light of the cease-fire decreed by the president of the Republic "we remain in the outskirts of the cities, after having turned over the municipal palaces and the government offices to the corresponding authorities." "The instructions from President Carlos Salinas de Gortari are that the troops leave the cities so the inhabitants may recover their peace and return as soon as possible to their normal lives," he said.

However, "we will remain quartered near the cities of Las Margaritas, Altamirano, Ocosingo, Oxchuc, and San Cristobal de Las Casas," he advised.

When asked about the alleged human rights violations committed by the Army, Godinez challenged the accusers to name the places where they claim there have been "indiscriminate" bombings against the civilian population. In this respect, he encouraged all nongovernment organizations to refrain from criticizing and attacking the Mexican Army given the fact "the only thing the soldiers have done is to defend themselves from an aggression against them by a group that has clearly broken the law."

With respect to those individuals who were supposedly beaten, the military officer disclosed that those persons arrested during the conflict were immediately handed over to agents of the federal and state Attorney General's Office in order to avoid any problems with any human rights organizations. "Therefore, we are quite concerned about such indiscriminate and inaccurate criticism of the Army and that we fired against individuals who were only carrying weapons made out of wood, yet no one condemns those who sent those persons as human shields," he lamented. "Now, it would seem that everything bad about these events has been caused by the Armed Forces."

He immediately referred to the "alleged" death blow [tiro de gracia] found on some bodies after clashes against the rebel groups and explained that "when someone is in a trench, the head is the part of the body that sticks out and that's why helmets are worn." "Nowadays, any head wound caused by a bullet is being taken as a death blow," he pointed out.

With respect to the amnesty law benefiting the armed groups, the military officer indicated the "it is another benefit which President Carlos Salinas de Gortari decided to implement in order to reestablish peace and legal order in the region." This "is evidence of the president's interest in finding and achieving solutions to this problem by every possible means and with the least possible cost of human lives."

With respect to the EZLN strategy, the 7th Military Region commander believes that within this group there are individuals "who are professionals recruited to train other persons, they are up to date on guerrilla warfare, and have access to modern weapons." He explained that "there is another group that has received military training every weekend, every week, and every 15 days in communities near the jungle region." Another group includes "supporters responsible for supplying food and intelligence as well as handling radios," commander Godinez explained.

Moreover, he explained, there is also another group opposed to these "outlaws" who are "fortunately a majority. This group's members were expelled from their communities for refusing to support criminal activities by donating food of money."

Anticipates Weekend Violence in Chiapas

PA2801180994 Madrid EFE in Spanish 1640 GMT 28 Jan 94

[Excerpt] Ocosingo, Mexico, 28 Jan (EFE)—The Mexican Army anticipates new outbreaks of violence in

Chiapas and has asked the population to take precautions between Saturday and Monday [29-31 January] even though a cease-fire has been in force in that area since 12 January.

According to several merchants and civilians in Ocosingo, several Army members have told them not to leave the municipality because there might be new confrontations. Ocosingo was the scene of the bloodiest fighting during the first 10 days of the conflict.

The reports, which the National Defense Secretariat (SDN) could not confirm to EFE today, maintain that there is tense calm in the town and that many residents have traveled to other towns so they will not be trapped in new fighting.

"So far there are no official communiques, but if there are, we will release them as soon as possible," a SDN spokesman said. The SDN has neither confirmed nor denied that soldiers are on alert in that town in Chiapas. For some days Ocosingo residents have lacked potable water and telephone services for unexplained reasons. The residents have asked the insurgents and the government to begin peace talks as soon as possible so they can resume their normal activities. [passage omitted]

Peace Commissioner on Government Points for Talks With EZLN

PA2901193994 Madrid EFE in Spanish 1902 GMT 29 Jan 94

[Text] San Cristobal de las Casas, Mexico 29 Jan (EFE)—Manuel Camacho Solis, peace and reconciliation commissioner, today (Saturday) reported seven points [puntos] of the Mexican Government to begin peace talks with the rebel Zapatista National Liberation Army (EZLN).

During a news conference in San Cristobal de las Casas, approximately 750 km southeast of the Mexican capital, Camacho Solis said conditions do exist for peace, but he concluded he does not know whether prompt negotiations will begin with the rebels.

Reveals Points for Dialogue

PA2901220894 Madrid EFE in Spanish 2024 GMT 29 Jan 94

[Text] San Cristobal de las Casas, 29 Jan (EFE)—Manuel Camacho Solis, government commissioner for peace and reconciliation, today revealed seven points proposed by the government to start a peace dialogue with the rebel Zapatista National Liberation Army (EZLN). The government, Camacho Solis said, accepted the agenda proposed by the rebels that consists of seven points: economic demands, social demands, political demands, democratic progress, an end to the hostilities, an end to violent confrontations, and the establishment of guarantees for the two parties.

At a news conference in the colonial city of San Cristobal de las Casas, about 750 km southeast of the Mexican capital, Camacho Solis pointed out that the conditions for peace are present, but he added that it is not known whether negotiations with the rebels will start soon. The commissioner admitted that the Indians are facing "serious living conditions" besides racism and isolation and promised to open "legal opportunities for the participation" of the armed rebels in society.

To end the hostilities, the commissioner proposed "negotiation, agreements, declaration of a definitive end to the hostilities, disarmament with guarantees for the two parties, reconciliation, and return to work and open participation in political life by the rebels." The commissioner said that "only facts will create new conditions and added that they (the rebels) must define their positions and be consistent with them." Camacho Solis said that the nation is headed for political change and added that the 21 August presidential election will be held in peace.

"We either settle the problem in Chiapas correctly, promptly, seriously, and honestly, or a conflict bringing only destruction, greater poverty, and isolation will take root," he added. The commissioner pointed out that "there are no middle-of-the-road points here; we either attain peace or Chiapas will not achieve economic modernization and social tranquillity. We need to reach peace through democracy and determination."

Although Bishop Samuel Ruiz, official mediator of the conflict between the government and the rebels, announced that Camacho Solis and the EZLN command would meet "very soon," the commissioner said he does not know when this meeting will take place or "if it will take place at all." He added that the peace negotiations should establish an agile mechanism to apply the recently created Amnesty Law for freeing the rest of the hostages and prisoners, reach agreements on the sentences that are applicable to the Indians who participated in other social struggles, and establish ways to apply the pardon.

Camacho Solis said that he sent a note to the rebels on the points that were complied with for the release of former Chiapas Governor Absalon Castellanos, who the insurgents want to exchange for jailed EZLN members. Finally, Camacho Solis asked the media in San Cristobal de las Casas to choose a group of 15 reporters from the most representative media to cover a possible meeting.

In the past days Camacho Solis exchanged numerous communiques with the rebels in an attempt to start peace negotiations as soon as possible. The population is awaiting these negotiations "with anxiety," the local media reported.

The EZLN rebelled against the government on 1 January in the State of Chiapas and clashed with the armed forces during the first 10 days of the conflict. This produced an official toll of 108 dead and thousands displaced.

El Salvador

U.S. Military Officer Reportedly Flees From Murder Charge

PA2901210594 San Salvador Radio Cadena YSKL in Spanish 1800 GMT 29 Jan 94

[Report by Wilfredo Cordoba; from the "KL Newscast"]

[Text] Salvadoran police and judicial authorities rejected acts of impunity encouraged by the U.S. Embassy personnel who helped U.S. Major Mike Lopez illegally leave El Salvador. Lopez is charged with murdering Salvadoran citizen Jose Crecencion Diaz Alvarado.

The incident took place on 20 January when Diaz Alvarado's body was found inside a Jeep Cherokee with diplomatic license plate No. 753. Diaz Alvarado was one of Lopez' bodyguards.

Prosecutor General Romeo Melara Granillo considers the attitude of the Americans contradictory:

[Begin Melara recording] This is a total violation of our laws. What is also worrying is that the United States demands that we correctly apply justice while they violate our laws and make a mockery of them. They demand that we uphold the law but they violate them in cases such as this. This is what is worrying. Regardless of whether or not this person has diplomatic immunity he should have been processed through the Salvadoran legal system and it should not have been handled the way it was. [end recording]

The legal investigations are being conducted by the Soyopango 2d Criminal Judge, who received a note from the U.S. Embassy saying that the criminal had departed the country bound for Panama. Nevertheless, immigration does not have his departure on record, PNC [National Civilian Police] Director Jose Maria Monterrey said.

[Begin recording] [Monterrey] We are exerting pressure. That is our job and this is why we are here with the prosecutor. We are outraged over this incident. You must realize that every person who leaves through the airport must go through immigration. Even in the case of the president, he sends his passport and he enters and leaves and gets his passport stamped as well as all members of his entourage. This applies to everyone.

[Cordoba] Have you been able to establish who is to blame at the airport?

[Monterrey] We do not know yet whether he left through the airport or if he was taken out of the country some other way or whether he left using a passport under another name. The fact remains that several hours after the murder this major was already in Panama. You, as a member of the media, should recall the case of the Mexican who was involved in the cocaine robbery. Onusal [UN Observers for El Salvador] immediately ordered that he be placed in the hands of the justice system despite his diplomatic immunity. He has been under arrest for eight or nine months and is under the orders of a judge. [end recording]

This case will show whether the U.S. Embassy in El Salvador practices what it preaches to the Salvadoran Government and not allow another murder case to go unpunished.

Cristiani on Crime, Peace Accords, Economy

PA2901192594 San Salvador Radio and Television Networks in Spanish 0200 GMT 26 Jan 94

[Interview with Salvadoran President Alfredo Cristiani by journalists Mauricio Funes, Ricardo Chavarria, Aida Farrar, Norma Jimenez, Salvador Castellanos, and an unidentified moderator at the Canal Cuatro Television studios in San Salvador—live]

[Excerpts] [Moderator] The first question will be asked by Mr. Funes.

[Funes] Good evening, Mr. President. I have been given one minute to ask a question on a complex subject. From a political viewpoint, crime—in particular, organized crime—has been regarded as one of the problems with the greatest impact in the country. Why does one get the impression that your government and the new National Civilian Police [PNC] are powerless to check and break up organized crime? Do you and your government know what forces lie behind organized crime, which make it possible for crime to operate in blatant impunity? So far, no investigations have made any significant progress. Also, the people are concerned. My specific questions are these: What has the government done and what is it doing to check organized crime, although the government appears to be powerless? What forces are at work in this problem to the extent that the opposition could be right in saying there must be a relationship between organized crime and the government, considering the impunity of criminals?

[Cristiani] Good evening to all. Mauricio, I think we should first define the nature of the problem, crime, and our situation as a country. There are a number of causes to this problem. In our country, several factors come to mind: 1) we are in a postwar period; 2) the country's economic and social situation; 3) the world situation, which has much to do with communications and the situation to which children, young people, and adults are exposed. We will have to tackle the problem at its roots.

Organized crime, as you described it, is made up of individuals who are used to and know how to operate in a climate of violence. This is to say, they are used to handling arms. They live in a world of their own. This could play a significant role in making criminals. In addition, the peace agreements led to the disbanding of three public security organizations and the creation of the PNC. I must say that, if an agreement is not achieved in this area, we could hardly have peace.

There also has been much to say about the government's inability to effectively confront rising criminal activity. We believe that as result of the armed conflict, the country's security apparatus was more prepared to deal with a military type situation—in other words, military strategy as opposed to criminal strategy. In this respect, there was a need to create a new body that would adapt to the country's new public security reality—a new security body with modern specialized training, not only capable of repressing criminal activity but also with programs to prevent it, as well as having the ability to confront other forms of criminal activity. So far, the PNC has not yet reached its full potential. Logically, we cannot yet expect this organization to perform at its full potential.

Currently, the PNC is being deployed throughout the country. I would even dare say that the PNC deployment has brought about some positive changes. In effect, we have been able to see some improvement mainly because of the training the agents must go through at the National Public Security Academy, and also because the PNC is better equipped than the current National Guard [GN].

In this respect, I believe the fight against criminal activity is in the process of being solved. Also, improvement in investigation techniques into every aspect of organized crime is already showing results. I would not agree with those criticis who say that no cases have yet been solved.

Lately there have been cases in which Farabundo Marti National Liberation Front [FMLN] members have been murdered. These cases have been followed by a campaign in which death squads are mentioned, or it is reported illegal armed groups are committing murder for political reasons. Aside from receiving information from the PNC Criminal Investigation Division, formerly the Criminal Investigation Commission, I should note that the Heleno Castro murder case, as well as the one involving the FMLN representative in San Jorge, has practically been solved. In short, special treatment was given to these cases. We have also implemented the so-called joint working group to find if politically motivated illegal armed groups do exist.

Also, there are other matters related to organized crime, such as vehicle thefts. Lately we have been able to see increased efficiency in recovering stolen vehicles. Investigations into vehicle thefts are showing other links that we must also investigate if we are to destroy the entire vehicle theft network. With respect to drugs, I cannot recall any other period in which we have been able to disrupt such large drug shipments such as those disrupted over the past year. I believe this is another type of dangerous organized crime-related activity operating in the country.

I believe the PNC is not yet operating at its full potential. This is something which is going to take some time until we can really witness a complete and competent PNC. To expedite the presence of the PNC, officers are trained six months versus one year, which is the normal training period of other public security academies. This is because of the urgent need to deploy those forces. In addition, costs are high and pose limitations. Some people have asked why 10,000 policemen cannot be deployed. The reason is that it costs 60,000 colones to train and equip each PNC member. [passage omitted]

[Moderator] Ricardo Chavarria from TPS news is next.

[Chavarria] [passage omitted] In your 1 January 1989 inaugural address, you talked about four guiding principles: liberty, honesty, reality, and security. I would like to refer to the honesty principle. At that time you said this: To eradicate the scourge of corruption, which angers Salvadorans so much, and for public property to be managed with utmost honesty, our commitment is clear and unalterable. We invite the people to support us by being vigilant, as well as with their constructive and patriotic criticism.

Nevertheless, it is now being noted that corruption has not been eradicated. On the contrary, the Salvadoran people are asking how many members of the past two administrations are in jail. Also, they are asking where are your party members who are, according to the public, involved in corruption. Specifically, I am member of a Chamber of Commerce committee, and there is much talk about Social Security as well as the public construction projects.

[Cristiani] First of all, I believe government corruption must be evaluated from two viewpoints—not only two viewpoints, but two types of corruption. The first type involves the corruption of an official—in other words, corruption by high government officials. Then we have another type of corruption which is a more institutional.

The people have mentioned specific cases, such as the Customs Department, traffic police, immigration, and so on. In terms of corruption of public officials, as relates to the question of the whereabouts of the members of the past administration, I can say there were three or four cases of corruption. There is even the case of one official where an arrest warrant has been issued; he, however, is not in the country. This is an example of a trial which has lasted a long time. In our opinion it has taken too long to be resolved. In addition, this same trial has blocked any possibility of rebuilding the well-known Carretera de Oro.

In terms of this administration's high government officials, we have already filed charges against two people. In this respect, we have tried to be very straightforward. Every government official was summoned to a meeting at the Presidency, and we appointed a commission tasked with undertaking audits to every state organization.

It is quite easy to criticize corruption from outside the government, and yet it is another thing to understand what is actually taking place. One cannot simply send someone to jail just to please someone who likes to make a lot of noise and stir things up. The bottom line is that charges must first be proven if we expect to send someone to jail. In this respect, the audits undertaken did not find sufficient merit to file suit against any high-level official, except in one case which was sent to court. I understand that, unfortunately, the person in question is no longer under arrest. I am referring to the case of (Lamba).

Nevertheless, we have been able to ascertain that what is required at this level is, first of all, to try to professionalize, or at least give more leeway to, the Accounts Court to carry out its duties. Most of all, it is the Supreme Court of Justice's Ethics Office which is responsible for ensuring that corruption does not take place.

In all the auditing that has been performed, some problems have been detected in Social Security in terms of the bids that are granted. There is a case involving a ghost company, which is in the hands of the judicial authorities. It is under investigation by the Criminal Investigations Division at the judicial level. There has been a lot of talk about bids in other cases. Some problems have occurred in the bidding, because perhaps that is where we have zealously guarded against irregularities.

In none of the accusations regarding the bid allocations has there been proof or evidence of corruption on the part of high- ranking officials. I personally know almost all the high-ranking officials, I mean from before the political campaign, and I can say there were proved to be honest even before they came into the government.

In this sense, we have tried to act very firmly, but also trying not to make mistakes. Obviously it is easy to blame a person, but it is something else to prove charges. The other part, which is the institutional part, perhaps is a bit more delicate, because there is never evidence. For instance, when someone gives a kickback to a policeman, how can you prove it, unless you go and make the charge. If someone charges a traveler $100 to put a seal on a passport, who can denounce it?

There was one peculiar case in which somebody did say something to a policeman at the airport. The person was dismissed from his post, and his fellow companions who were opposed to his removal almost went on strike. We believe the institutional problem should be resolved. That was perhaps the fundamental recommendation made by the commission that we created.

The state must be modernized, especially state controls. Public officials should not be allowed to act arbitrarily, because that is where citizens take advantage of the situation to get a kickback, commission, or whatever. Steps are being taken. Immigration entry points are free. Land immigration is implementing a virtually free entrance at Comalapa Airport, where customs regulations are being modified so that there will be a sworn statement and so that this sort of corruption will not exist. The PNC is trying to train good policemen who are incorruptible.

Moreover, there is another thing for which we cannot blame the state. I always hear about corruption and the corruptor. Unfortunately, we have reached a stage in our country where moral values have greatly deteriorated. The thinking that prevails is this: If I do not do it, I will not be able to compete because my competitors do it. In turn, a serious problem has been created. There could be drastic solutions, as they are called. We could remove all immigration personnel and all treasury policemen, but we do not think this is the way to do it. Soon there will be not only changes in regulations, but also laws to strengthen them, reducing chances for corruption.

[Chavarria] You said three kinds of arrests have been carried out by the government, and two or three people have been fired on this occasion. To satisfy many Salvadorans who insist corruption still prevails, what will happen concerning the cases presented by the commission? Will this be a problem for the next government, or will this come out in the open and the culprits sent to trial before you leave?

[Cristiani] We have sent certain cases to the National Audit Office; other cases have been sent directly to the Attorney General's Office, and still others have been sent to the PNC Criminal Investigations Division. The social security case was perhaps the most obvious. Cases like these are directly sent for a judicial investigation. The case sent to the National Audit Office.... [pauses] The National Audit Office is able to conduct what you might call an investigation.

You must remember that the commission members did not conduct a criminal investigation, though. They conducted an audit, searching for evidence, because the truth is that a corrupt person never leaves evidence, unless he is truly inept or unless his brain does not function very well. In cases of corruption you seldom find the evidence; for example, no receipts are issued when commissions are paid, or anything like that. The idea is to conduct an audit and find something that will allow you to send someone to court. People have been sent to court in cases where we have found evidence, both involving officials from the previous administration and—I repeat—two in our administration.

[Cardenal] Thank you, Ricardo. Thank you, Mr. President. The third question goes to Mrs. Aida Farrar of Channel 6 Television's "The Newscast."

[Farrar] Thank you. Good evening, Mr. President. I have a more specific question, but it is nevertheless of great interest to the Salvadoran people, always dealing with crime issues. It is said production groups in the country's eastern sector have publicly requested deployment of the Armed Forces as a measure to fight crime. What is your position on this issue?

[Cristiani] First of all, the Constitution of the Republic authorizes the use of the Armed Forces in special situations, let us say in times of crisis when it is necessary to settle something during a short term; then they return to their normal functions.

First of all, to deploy the Armed Forces and authorize them to investigate, prosecute, capture, and send criminals to court would cause two problems: One, we would be somehow contradicting constitutional norms; two, soldiers are not exactly trained to play a role in public security. They are trained in a completely different area. They do not know how to handle certain cases; for example, they do not know what to do in case of a traffic accident. Consequently, we would be involving personnel who are not trained to perform a complex task.

We think the Armed Forces can play a dissuasive role; meaning, they can perform their military exercises in broad daylight, using roads where most of these incidents occur. In our opinion, the Armed Forces can play a dissuasive role, and this does not violate the Constitution, because—even if they find someone involved in a criminal action at a given moment—we must remember that the Constitution also authorizes a citizen's arrest. This can be done by anyone who finds a person en flagrante delicto. We do not believe it is beneficial to authorize personnel who are not adequately trained in public security techniques to carry out these tasks, not to mention the doubts regarding the constitutional provisions.

[Farrar] Thank you very much.

[Cardenal] Thank you. The fourth question is asked by Miss Norma Jimenez of Channel 4.

[Jimenez] Mr. President, I will be brief. What was the most difficult decision you had to adopt during your term, meaning, a political decision that was extremely difficult to adopt, and why?

[Cristiani] I believe the most difficult decision was adopted late in 1989 concerning the advisability of continuing a negotiation process. I think—speaking for myself and the government level—we felt betrayed by the FMLN's [Farabundo Marti National Liberation Front] attitude, because it had signed an agreement and then planned an offensive that caused so much bloodshed and destruction; nevertheless, the decision we have adopted was to continue the negotiation process, because we were convinced it was the only way to achieve a long-term solution, while the opposite meant we would have to face a conflict for a much longer time, with the consequences this would entail for the country and the people. We now believe the correct decision was adopted even though you may recall the feedback we received from an extremely large number of groups was that we could not talk with people who even betrayed a process that had recently started. [passage omitted]

[Farrar] Do you believe the FMLN is prepared to govern our country?

[Cristiani] The truth is, regarding economic matters, I do not know their programs, but what does cause concern is that the FMLN was a group that had a Marxist-Leninist ideology. After the collapse of the Berlin Wall and the Iron Curtain, and the Soviet Union itself breaks up and accepts the failure of that statist ideology, the FMLN is logically going through an adaptation process. It is leaving that ideology and saying it no longer believes that ideology and that it now believes in other types of economic policies.

We have already heard someone who is a social democrat; we have heard of much support for private enterprise, whereas we know that its basic ideology was essentially anti-private enterprise.

Now the question is whether there is a tendency to improvise, because I am no longer sure of what they really believe. I believed in something, and now the circumstances have made me change; the question is, how much flexibility will they have regarding economic matters? [passage omitted]

Exports have doubled over the past five years, despite the low price of coffee, sugar, cotton, and other products. It is not true that there is no development policy or that it has failed. I would not say that doubling exports in five years, in four and one-half years of government, is a failure. [passage omitted]

We had the largest harvests in history concerning cereals. In coffee, we had the largest harvest in 1992 since 1979; in sugar, last year's harvest was the largest in history. There are approximately 150,000 new manzanas that are already being used for agricultural production.

The Agricultural Development Bank [BFA] has doubled the amounts of granted credit over these five years, despite the fact that its finances have been reorganized. BFA credit is for small producers, and if it has been doubled, we cannot speak of a lack of attention to the small- and medium-size producers of the agricultural sector.

Certain problems have arisen regarding the credit problems that some producers—particularly the producers of the eastern area, which was the most devastated—still had once the conflict ended. We have tried to solve the problem. We have issued a specific decree to provide them with a line of credit; we have eliminated all of the accrued interests, and the interests to pay were recalculated at a lower rate, thus eliminating the capitalization of banks as their loans became overdue. We have stopped all the embargoes and so on. We have tried to help all of them; there may be some that perhaps do not even have the monetary capability to solve their economic problems. It is regrettable, and one understands and sympathizes with them.

The government cannot help a company that has gone bankrupt, however; in other words, the government cannot go bankrupt. There are things that can be done and others that we cannot do.

I believe the main problem is prices, particularly of our export products. In that regard, the government can only do with coffee exports as we have been doing. On the other hand, the problem of profitability in the agricultural sector is not due to the lack of facilities; it is because the international price of products is low. A government cannot subsidize low prices in the agricultural sector. The agriculture sector in our country will have to be updated. We cannot separate the agricultural and livestock sector from globalization or economic openings. We cannot lend a specific sector a hand by subsidizing it. Someone has to pay for these subsidies. If the other sectors are not subsidized, we cannot make an exception with this sector.

I admire Ulises Gonzalez very much, because he is probably one of the few who has carried out this struggle without owing a cent. I question the attitude of others who have come forward shouting things, but I regard Gonzalez as an honest person, a man of principles. As I said, he has been fighting for a more flexible decree. He has discussed the matter with the Central Bank president many times. What we must realize, however, is that the government cannot subsidize any sector. When prices are low, farmers must create their own mechanisms to face the situation. This applies to all economic sectors.

I believe we have done much in the agricultural sector, from privatizing commercial activities—particularly with coffee and sugar—to offering more credits to the small and medium producers. As for investments, according to statistics from the Central Bank two out of every three credits are given to small or medium enterprises; in other words, we cannot say that small and medium enterprises are not receiving help. [passage omitted]

[Passage omitted] [Cardenal] The fourth question is by Mauricio Funes of Channel 2.

[Funes] Thank you. I am going back to a response you gave to my colleague. You said the increase in imports stimulates exports in the long run. The problem is that we have had an increase in imports based on foreign currency that was not generated by the country's own capability, no matter how many times one hears that Salvadorans living abroad are still Salvadorans and that this is a domestic effort.

Analysts concur that the 5-percent growth the government announced at the end of 1993 was based on the number of remittances sent from relatives and foreign aid. This aid is decreasing, as the U.S. Government announced recently. Can the country keep on supporting itself on what economists refer to as fragile bases for economic growth?

Given that we have been unable to stimulate exports as a source of foreign currency, we continue to depend on remittances sent from relatives abroad and foreign aid. Although you said dependence on other countries has been reduced, we continue to depend on the remittances of relatives and foreign aid to sustain economic growth. Wouldn't we have to redesign the model implemented so far?

As Anep [National Association of Private Enterprise] has constantly suggested, the state must become modern and create an adequate policy to promote exports so that growth can take place on solid bases, not on what is called fragile bases.

[Cristiani] I think this is an axiom one reads in economic texts, or at least I did when I went to university. One ingredient in promoting exports is to eliminate all import problems and barriers. You said the dollars coming in from abroad are contributing to the trade deficit. That is true, but the contribution is decreasing all the time.

I am going to repeat my answer to the previous question. Would you consider it a failure to have tripled exports in the country in a period of four and one-half years? This happened, despite the price of coffee. The price of coffee.... [pauses] When we know the bases that will help us determine whether exports have doubled.... [pauses] We are talking about a rather considerable export, namely, coffee. There has been growth in nontraditional products. I am asking if this is truly a failure or if we are headed on the right course. Granted, we have not closed the gap yet, but nothing happens overnight. If the model is mistaken or the program to boost exports is wrong, how are we to account for the fact that exports based on nontraditional products doubled in four and one-half years, considering we had a war going in three of those years, and we did not have the economic drive we now have, given the insecurity aspect is out of the picture. [passage omitted]

[Castellanos] Our economy is growing, but I wonder when will this growth reach me personally. At the beginning of this government, much was said about the economy overflowing and cascading down onto the people. People are saying, however, the benefits stay at the upper layers of society and never reach the lower ones. The following question has been asked a thousand times: If the economic and macroeconomic indexes are so encouraging and promising, why does a large segment of the population still live in extreme poverty?

[Cristiani] I wonder what the moderator would say. I could answer your question, although by doing so we would go fully into the social aspect of the situation. We could speak about social development, which works for the good of the Salvadoran people.

[Cardenal] Mr. President, we will have to leave this answer for the social portion of the conference, because we are somewhat behind schedule; nevertheless, we appreciate these questions. We will now move on to the third and last block, which deals with social aspects, and we will broach health, education, housing, poverty, employment, and the family. Again, we would like to remind our distinguished guest journalists about the need to keep their remarks as brief as possible due to time; this request is also extended to the president, although we know it is difficult to sum up certain types of subject matter. Ricardo Chavarria will ask the first question in this block.

[Chavarria] It will be easy for me, because I will only expand on Castellanos' question. The Christian Democratic Party did us a favor by faxing nearly everything for us. The planning minister has told us extreme poverty has been reduced by just one percent. Castellanos spoke about an appeal to reduce poverty even further. Laborers, secretaries, and plant workers share a common trait. They are no longer taking lunch. They are content with a snack. At the most, this can be regarded as a double breakfast. This is a serious sign that people at present cannot afford to pay seven, eight, or 15 colones for lunch plus a bus ride. My specific question is whether you have been working for the poor among the poor. A 1-percent reduction has been the result [words indistinct].

[Cristiani] I would like first to say that someone lives in extreme poverty when he receives no income whatsoever. The most important thing is to begin by helping those who possess the least. Those who have a job are better off than those who have nothing and, in addition, have no income.

Approximately 150,000 new jobs have been created. These jobs are determined by observing both the number of people who pay quotas to the Social Security Fund and statistics. This figure is the number of jobs for which have been accounted. This means 150,000 people can no longer be regarded as extremely poor. Regardless of the accuracy of your figures, it would be necessary to determine how many people are jobless and how many of them are now employed. In this regard, I quote John Paul II, who says the problem of extreme poverty will not be solved if production is not established and if jobs are not created. It is also necessary to talk about the standard of living; that is, the care of the people. We can mention several indexes. The United Nations has certain parameters to measure a society's standard of living. One is life expectancy, which statistically has improved from 57 to 65 years. [passage omitted]

In the health sector, the budget has increased from approximately 300 million to a little more than 700 million colones. More and more, we have been using our own resources, not foreign resources. This refutes the person out there who says we still depend on foreign resources. The fact that we succeeded in lowering our imports from 24 to 9 percent indicates foreign assistance is becoming less and less.

Figures taken out of context, without analyzing the state budget or state investment situation as a whole, may not suitably mirror the general situation. [passage omitted]

Since the beginning of the administration, the trend has been a reduction of budget investments in the nonsocial sector and an increase in the budget percentage apportioned to the social sector; that is, the percentage of investments in the social sector is growing, and this trend should continue. [passage omitted]

Adjustment policies are required only when there are distortions. I am sure the next government will not need adjustment policies. It will simply have to be responsible in handling economic activities and public finances. We have resolved the problem for the next government. We are the ones who had to shock treat economic distortions due to the economic mess to which the country had been led. Had we not implemented that policy at that moment, we could have had inflationary levels similar to those in certain South American countries.

Nicaragua [words indistinct] has had inflation levels of three digits. I think surgery is performed when there is an illness. Once there is health, why perform surgery?

All that has to be done now is to continue acting in a responsible fashion and to manage government finances free of demagoguery.

Our economic policy is not a simple structural adjustments program. No. The fact that at a given moment we had to make structural changes due to distortions does not mean this is our economic policy. Our economic policy is based on a social market economy, the honest handling of public finances, and the development of exports. These are not adjustments but efforts to develop the country. [passage omitted]

Cristiani, Colombia's Gaviria Discuss Free Trade

PA2901151294 San Salvador Radio Cadena YSU in Spanish 1230 GMT 28 Jan 94

[Report by Enrique Lemus; from the "YSU Radio News" newscast]

[Text] Free trade between Colombia and El Salvador and aspects concerning the Latin American coffee retention plan were two of the most important topics President Alfredo Cristiani and his Colombian counterpart, Cesar Gaviria, have discussed during their first meeting. Concerning the coffee issue, the Salvadoran president has said that with the retention of 20 percent of exports, favorable results regarding international prices are being achieved. He has said Colombia has an important role in the participation.

[Begin Cristiani recording] We will continue to promote certain cooperation and free trade mechanisms with Colombia. During this short meeting, we talked about coffee. We made a follow-up and an evaluation of the retention process, now that a minimum price agreement was reached this week. We have seen a favorable response regarding prices. We think it is going well, and we believe we must continue to take these measures until a stable price is reached. In this regard, Colombia's participation is vital due to the impact they have on the market. [end recording]

Concerning a free trade agreement with Colombia and Venezuela, Cristiani has said all they are waiting for is the settling in of the new Venezuelan Government, so as to promote the trade negotiations.

[Begin recording] [Cristiani] We talked about a free trade agreement between Colombia and Venezuela, and we talked about Venezuela's situation with their new government, internal problems, and the difficulties that may emerge from a quick follow-up of the negotiations. We believe once President Rafael Caldera is sworn in, we are going to continue trying to promote the agreement. Both President Gaviria and I are interested in reaching a free trade agreement between Central America, Venezuela, and Colombia.

[Unidentified reporter] Did you talk about Gaviria's candidacy to the OAS?

[Cristiani] We did not talk about that; we had already talked about it on the telephone. He is already aware of El Salvador's position and that of the Central American countries. He has not yet decided on his candidacy. He is still studying the possibility of running, but we did not talk about it. [end recording]

Finally, Cristiani said that even though President Gaviria could be one of the candidates for the post of OAS secretary general, Salvadoran support will not be given to him, because the Central American countries have agreed to support the Costa Rican foreign minister, Bernd Niehaus. If there were any changes regarding the support given to the candidates, it would have to be out of a consensus with the rest of the regional countries, according to the Salvadoran president.

Gaviria Addresses Assembly

PA2901220494 San Salvador Radio Cadena YSKL in Spanish 1610 GMT 28 Jan 94

[Speech by Colombian President Cesar Gaviria at the Salvadoran Legislative Assembly in San Salvador—live]

[Text] Legislative Assembly President Jose Roberto Angulo; Mr. Vice President of the Republic, Messrs. Vice Presidents and board secretaries; honorable deputies; Madame Foreign Minister of Colombia; members of the government cabinet; members of the diplomatic corps; Salvadoran friends:

It is a source of great satisfaction for me to stand here today before the Salvadoran Legislative Assembly, the forum par excellence of Salvadoran democracy. I have spent a major part of my public life within the rooms of the Colombian Congress. Many of the ideas and plans that have inspired my administration were conceived during fruitful debates, harsh controversies, nights and days of full devotion to the noble task of legislating. I have also suffered defeats; who hasn't? Defeat in the legislature, hammer pounding an anvil, does not leave wounds, however, but forges and strengthens democratic convictions.

In these times, when it has become so common to say that legislatures are inefficient, archaic, and even unnecessary, when authoritarian forces frequently blame deputies and congressmen for all the ills that governments have been unable to resolve, I must reiterate my faith in the validity of Congress as an irreplaceable expression of popular will. I want you to know that here, among you, I somehow feel that I am among colleagues.

Last night, during a dinner in my honor hosted by President Cristiani, I had the opportunity to praise the Salvadoran peace process. There is no question that the end of the Cold War has made peace possible in many places, because the people who encouraged war and who with their hatred fed rivalries among brothers were suddenly left without a purpose. Justifications for arming insurgents, supporting tyrants, denying freedom, and preventing coexistence ended, and an era of hope thus began for our America.

Peace in El Salvador would not have been possible without the iron will of the conflicting sides, who were able to look beyond themselves to discover what the future held for the good, hardworking people of this country, the peace of mind and prosperity they deserved for a thousand reasons and which for such a long time had been denied them. The peace all of you fought so hard to achieve is an example that shows the world that reconciliation is possible if men undertake to achieve it without revanchist designs. This is perhaps the most visible success we have witnessed in the area of peace during these post-Cold War times.

Undoubtedly, our region is undergoing a crucial period, and in the days that lie ahead we will have to make important decisions that will test our character and vision of the future.

I will not punish you today with an endless speech. I would like instead to share with you some of my thoughts concerning those issues which, in my opinion, will be among the major issues on the hemisphere's political agenda over the next few years. Among these are free trade, reformation and modernization of the state, and the defense, strengthening, and consolidation of democracy.

A few weeks ago our countries experienced considerable uncertainty, because, on one hand, the fate of the North American Free Trade Agreement was unclear, and on the other hand the final result of the GATT Uruguay Round was still a mystery.

Today, fortunately, the panorama is much clearer; NAFTA's approval has renewed our hopes for the creation sooner or later of a hemispheric free trade zone, while the culmination of the Uruguay Round not only guarantees the existence of the multilateral trade system but provides the necessary confidence and stability for the world economy to advance toward its definitive recovery.

For our countries, which have believed in the goodness of free trade and have thus struggled so much for its enforcement, NAFTA is the best proof that we are capable of reading the future and that we have managed to figure out the true signs of the times from our history books. Free trade is the best way to achieve economic growth and greater well-being for our people.

I have personally studied all the integration processes under way on this continent: NAFTA, the Group of Three, the Central American Common Market, the Caribbean Common Market, the Andean Pact, the South American Common Market, and bilateral processes. These are efforts that truly lead to the common objective of building a great hemispheric free trade zone.

All of us have noted how Latin America has been for several years involved in aggressive policies for the opening, modernization, and internationalization of their economies, increasingly betting on the benefits that the promotion of the private sector, free trade, competition, productivity, and efficiency offer.

In this regard, to mention the Colombian case, in only three years we have made significant progress on many fronts. The opening of our economy, by changing our former closed economic model to one open to the world, was a result of the decline of the model that called for the substitution of imports. This opening took place in a context different from that of our neighbors.

Our decisions were not the result of a crisis or of an imposition. Our economy is the one that grew the most from 1980 to 1990. We knew, however, that to grow more rapidly and to eliminate poverty in Colombia in a few years, it was necessary to integrate our economy to the global economy, to open markets for our export products, to compete, to open up to foreign investments, and to create conditions to encourage private local investments.

We reduced our customs and we adopted competitive labor laws and foreign investment programs. The results have been satisfactory. We have diversified and expanded our exports, diminished inflation, reduced unemployment by 15 percent in the past four months, and increased our economic growth to levels above the 5 percent level.

We have adopted an aggressive commercial policy that has yielded integration with Venezuela, Ecuador, and Bolivia in the framework of the revitalization of the Andean Pact; we signed a trade agreement with Chile; concluded the Group of Three negotiations; and have made much progress in the negotiations for trade agreements with Caricom and the Central American Common Market.

I have said that we are prepared to reach with these two markets a two-way trade agreement that should mirror the various economic development levels. This is usually called asymmetrical relations.

There is no better opportunity than this one, here, in El Salvador, to reiterate our political will and to ask the Central American authorities to do so too in order to work jointly to turn dreams of a great trade treaty between Colombia, Venezuela, and the Central American common market into a reality to encourage a new flux of trade and productive investments for the benefit of our nations.

Much political will and a true commitment by all the countries of this hemisphere will be necessary to give form to the puzzle of a single market from Alaska to Tierra del Fuego.

This is why I believe that in the next few months, the continent must work to secure and recreate the integration processes for the purpose, as I have said, bringing about a grand hemispheric free trade zone.

This requires that our governments and the international organizations to which we belong act vigorously and decisively to turn what now appears an option we cannot ignore into a tangible reality.

Preliminary studies indicate that with the culmination of the GATT Uruguay Round and the World Trade Organization round, global trade will increase rapidly at an annual rate of 6 percent, approximately $200 billion annually.

Our challenge is to take advantage, as much as possible, of this increase so that our countries, which belong to what is nowadays viewed as the world's second most dynamic region in the field of economic development—second only to Asian South Pacific—may secure greater participation in world trade.

I am sure that we can attain higher achievements unitedly rather than separately and that any increase in participation in global trade will bring social and economic benefits to our people in the form of jobs and new investment opportunities.

However, the truth is that this is only one of the basic aspects our continent will have to face in the coming days and months now that virtually all countries in the area have agreed on an economic liberalization, which guarantees greater growth; winds of commercial opening blowing from north to south; and there is a relative consensus regarding the role the private sectors of our countries will play in the struggle for development and so on. Now that there is striking clarity on the benefits of the market, Latin American politicians cannot continue forever to discuss topics of which we are already aware.

When I refer to the pivotal role of the market, I want to clarify that it is not that I am downgrading the central role of the state. On the contrary, I want to emphasize that as it happens in a game of cards, once the moment of shuffling and dealing comes along, some cards will go to the market and others to the state. In our countries, we should make sure that these cards are divided fairly because a state without a market generates inefficiencies while a market without a state results in inequality.

We know that market laws are unable to solve the many problems that still affect our society such as extreme poverty, class divisions, and lack of opportunities. Consequently, we need a strong state, that will not only control, on behalf of the public interest, what takes place in the market, but that will also lead a strong investment initiative to generate human resources, that is, to invest in our people.

It is fair to recognize that our states still need to become more efficient and competitive so as to strengthen the democracies of the area. To enable our democracies to face successfully the challenge of promoting an egalitarian social development, it is necessary for states to modernize and for the way politics is conducted to be changed.

Central Bank President on Decrease in U.S. Aid

PA3001015094 San Salvador LA PRENSA GRAFICA in Spanish 26 Jan 94 p 15

[Text] A 60-percent cut in U.S. financial aid to El Salvador will not have a major impact on the Salvadoran economy, Central Reserve Bank President Roberto Orellana Milla said yesterday.

The official pointed out that the country's economy will be sufficiently strong to bear this without major problems by 1996 when the effects of this cut will be felt in projects. He explained that economic programs for 1994 and 1995 will not be affected.

Orellana pointed out that the effects of the cut will reportedly start to be felt in 1996, "but by then the country will be nearly independent due to economic development and an increase in funds sent to El Salvador by relatives living abroad."

International aid "has been used to support infrastructure reconstruction projects and repair damage caused by the guerrillas during the recent conflict." Orellana pointed out that funds sent by relatives to El Salvador are a reality of the country's economy because they constitute aid sent by Salvadorans working in the United States and this amount will not decrease.

Guatemala

State Administrative Workers Begin Strike

PA2801193594 Panama City ACAN in Spanish 1601 GMT 28 Jan 94

[Text] Guatemala City, 28 Jan (ACAN-EFE)—Guatemala public administration today is semiparalyzed because the majority of its 140,000 workers have joined the one-day strike called by the National Federation of State Workers Unions (Fenasteg) to request salary hikes.

Fenasteg Secretary General Armando Sanchez told ACAN-EFE that the strike is general (and requests a 40-percent salary increase), while government sources said it has had no effect. Fenasteg stressed that some 140,000 government and municipal employees are on strike as of 0800 hours local time (1400 GMT) and will stage demonstrations on the capital's main access routes to block traffic.

For its part, the National Federation of Public Employees Unions (Fenasep), a public administration labor union which does not support the strike, reported that the strike is partial.

Presidency Secretary General Hector Luna Troccoli, told the media that the strike will have no repercussions on the government, as it is backed by a "minimal number of workers," those who maintain a radical position and exert pressure without exhausting the possibility of a dialogue.

Luna said the strike will not undermine the development of the referendum, to be held next Sunday, through which the reforms to the Constitution should be ratified or rejected. The reforms include the possibility of moving up the elections to elect a new Congress and Supreme Court of Justice. The official advised that, if the public employees carry out actions that "clash" with the law, they will be punished.

He reiterated that the government will not grant any salary increase to the workers because the state has no funds to meet those demands, which shall be discussed by the Labor Ministry Commission for Salary.

This is the first labor movement to confront the administration of Ramiro De Leon Carpio, who took office in June 1993, after Jorge Serrano was overthrown following his failed self-inflicted coup in May. The National Transportation Confederation (CNT), also announced that it will stage a general strike on 1 February to demand that the government authorize an increase in the rates for their service. The CNT gathers passenger and fuel transportation enterprises, which will mean a lack of fuel supplies and the resulting paralysis of industrial and commercial activities in the capital.

Peasants March on National Palace

PA2801173394 Guatemala City Cadena de Emisoras Unidas in Spanish 1612 GMT 28 Jan 94

[Report by Jorge Celis; from the "Guatemala Flash" newscast]

[Text] Another large group of peasants has already reached the corner of 7th Avenue and Roosevelt Street in the Zone 11. Here with us is someone who will give us some details about the demonstration. It is already headed downtown. It left the assembly area approximately 15 minutes ago. They said they are headed downtown, and will pass by the Supreme Court of Justice and the Congress and will wind up at the National Palace. Let us listen:

[Begin recording] [Unidentified person, shouting] [Words indistinct]

[Celis] What is your name?

[Tilin] Juan Tilin.

[Celis] Why is this large number of peasants demonstrating?

[Tilin] This is one of the demonstrations scheduled for today to continue to demand that the Government provide a concrete response to the petition we presented on 16 November demanding a minimum wage for farm workers. We made the formal request on 16 November to the government, to the Labor Ministry, to the proper officials so that we would get better wages for farm workers in view of the difficult moment we are experiencing. The most difficult economic situation is evidenced in the farms along the southern coast, in farms in diverse parts of the country where the workers don't even receive minimum wages. Furthermore, the treatment accorded to the workers is infrahuman. The Labor Ministry has done nothing up to now. That is the reason for this demonstration. [end recording]

[Celis] We can tell you that at El Trebol there is a large group of peasants of the GAM [Mutual Support Group] who are waiting for the two groups coming from Aguilar Batres and Roosevelt Avenues to join them in order to march together to downtown. As we reported earlier, another large group of peasants is marching on the Salvador highway and another on the highway to the Atlantic. They will meet at the National Palace to submit their petitions to the president and tell him about the problems the farm workers in the interior are experiencing.

STOJ Not To 'Budge' From U.S. Embassy

PA2801191894 Guatemala City Cadena de Emisoras Unidas in Spanish 1815 GMT 28 Jan 94

[From "News Patrol" newscast]

[Text] Alirio Cifuentes, secretary of the Judicial Branch Workers Union [STOJ], says that peasants who have loans with the Penny Foundation [Fundacion del Centavo] will not budge from the U.S. embassy until their problems are definitively resolved.

[Begin Cifuentes recording] The peasants who arrived from different communities are still standing across from the U.S. Embassy building, waiting for an answer from delegates appointed by the president of the Republic to mediate the conflict. The meeting is taking place at the Labor Ministry with the participation of the labor and agriculture ministers, a human rights ombudsman delegate, and, of course, delegates from the Penny Foundation, AID, and STOJ.

The worrisome part of this issue is that the U.S. Embassy has refused to examine the conflict in a reasonable manner. AID is part of the United States of America, it is part of the U.S. Embassy, and if AID donated $11 million to the Penny Foundation to set the land project in motion, we cannot explain why it is now claiming that it is not in any way involved in the conflict, which it says is strictly between the STOJ, peasants, and the Penny Foundation. The embassy tells us that if there are any problems we should file a lawsuit at the competent courts but our position is that the funds donated to the Penny Foundation should be supervised by AID, which is part of the U.S. Embassy. [end recording]

Government: Strike Failed; Unions Claim Success

PA2901030994 Panama City ACAN in Spanish 0112 GMT 29 Jan 94

[Text] Guatemala City, 28 Jan (ACAN-EFE)—According to the government, today's strike called by Guatemalan public administration workers to demand a 40 percent salary increase and to reject the upcoming Sunday referendum was "a failure." The unions, however, called the strike "a success." There were no violent incidents during the strike. Official sources report that the central government has approximately 180,000 employees, with another 100,000 from decentralized institutions.

Meanwhile, the government called the protest movement intended to undermine the referendum a "failure." If approved, it will make possible reforming the Constitution to hold the parliamentary elections ahead of schedule, change the Supreme Court of Justice magistrates, and reduce the president's term from five to four years.

Government Minister Arnoldo Ortiz has reported that work in government institutions is proceeding normally, with the exception of two or three of them. Ortiz said the union leaders made the mistake of calling the strike for political reasons rather than labor-related reasons and this is what caused the strike to fail.

Armando Sanchez, secretary general of the National Federation of State Workers Unions, told the press that 90 percent of the workers went on strike and that the protest will be resumed Monday if their demands are not met.

Workers Want Deputies' Resignation

PA2901023294 Guatemala City Cadena de Emisoras Unidas in Spanish 0000 GMT 29 Jan 94

[From the "News Patrol" newscast]

[Text] Unsitragua [Guatemalan Workers' Trade Union] leader Byron Morales today stated that Guatemalan workers do not care about the results of the referendum; instead, what they really want is the resignation of the deputies.

Morales, who participated in a demonstration across from the Congress building, indicated that the constitutional reforms do not attempt to resolve public problems. Rather, they attempt to resolve the private problems of politicians who want to remain in power forever.

Union Rejects Dialogue

PA2901023794 Guatemala City Cadena de Emisoras Unidas in Spanish 0000 GMT 29 Jan 94

[From the "News Patrol" newscast]

[Text] Deputy Communications Minister Jose Manuel Recinos Leiva told "News Patrol" the government was ready to discuss the increase rate on transportation charges of cement with the representatives of the National Transportation Coordinating Board, but unfortunately they withdrew from the negotiations and said they will strike on 1 February.

He added that even if the members of the National Transportation Coordinating Board ignored the economic cabinet's invitation to talk, a meeting was held and the seven previously approved points were discussed and sent to Finance Minister Susana Ordonez de Molina. Ordonez de Molina coordinates the group of high-ranking authorities, and she will gather all the information to present it to the president.

Police Deployed at National Palace To Prevent Disturbances

PA2801193194 Guatemala City Cadena de Emisoras Unidas in Spanish 1828 GMT 28 Jan 94

[Text] Strong security measures have been taken around the National Palace to prevent any confrontation with the peasants who are marching to the central plaza. Approximately 200 policemen have been deployed in the capital's downtown area to prevent violence by demonstrators and infiltrators. The decorative streetlights outside the National Palace have been removed to keep them from being damaged if disturbances break out.

Here is a report by Ana Julieta Cardenas.

[Begin recording] [Cardenas] It was reported from the National Palace that there is normal activity around the area despite increased security by National Police personnel and soldiers who regularly guard the building. People are entering and leaving the building without any problem. The government minister has said that the security troops are on alert to forestall any possible disturbances. He is going to report on the reaction by government offices to the strike announced by the workers.

[Government Minister Arnoldo Ortiz] [Words indistinct] on the strike that was announced [words indistinct] study on economy reveals it is totally normal. Communications are totally normal. Postal service is completely normal. Everything appears normal in the capital. [Words indistinct] everything is reported to be normal. [Words indistinct] first appearance was that there was strike announced. [end recording]

Experts Defuse Bombs

PA2801232394 Guatemala City Teleonce Television Network in Spanish 1900 GMT 28 Jan 94

[Report by Willie Melgar from the "Telepress" newscast]

[Text] Dozens of peasants from the southern coast and other regions this morning participated in a demonstration to demand higher salaries for agricultural work. Roadblocks were erected at the end of the Raul Aguilar Batres Road, in Zone 12 of the capital, where the demonstrators also burned many tires.

It was reported that peasants, who are traveling to the capital from other regions to demand a daily minimum pay of 20 quetzals, are staging similar demonstrations. A witness reported that this morning's demonstration on the Raul Aguilar Batres Road nearly caused a fight between the demonstrators and residents of the El Mesquital neighborhood.

Meanwhile, several terrorist devices planted near power pylons were defused the evening of 27 January. The police made this report:

[Begin recording] [Unidentified police official] In the past few hours, based on people's calls and reports, and thanks to the citizens' cooperation, we were able to defuse a bomb planted near one of the pylons in Villanueva. We can see it from here. Bomb technicians defused this bomb at 0200 because of the possible damage it could have caused to nearby houses. This device contained aluminized [aluminizada] gunpowder, which is what has been used to damage the pylons.

We found wire used for electrical installations. We found the power source: a nine-volt battery. We found part of a timing device. As you can see, this is a clock face. This was found at the downed pylon in Barcenas-Villanueva. We also found electrical wire and a timing device, which included this clock, at the pylon in Zone 18 in Las Ilusiones.

This debris suggests a time bomb was involved. These is the debris found at two places. Bomb technicians, honoring their motto to protect the citizens, have worked around the clock and have shown up wherever they were needed.

Five explosive devices of this sort were defused at Los Antojitos Restaurant on Roosevelt Road at 0800 today. You can see them here. We urge citizens to continue to help us. We want them to call the telephone numbers that were announced. We do not want them to take any chances because we are ready to defuse such devices at any time.

[Reporter] [Words indistinct] where were they found?

[Police official] All the bombs shown here were among those defused in urban and rural areas. The work was done by explosive technicians. We are showing them to the citizens to ensure they can identify such devices. We want them to report any findings. We do not want them to take any risks. Above all, we want them to warn children, who have been the main victims so far. This was the case in the grenade explosions in Mazatenango. We want to prevent this. [end recording]

Meanwhile, peasant organizations from the countryside and southern coast marched today toward Guatemala City to demand a wage of 22.4 quetzals for countryside workers. The peasant organizations want national and international human rights groups, especially the United Nations and International Labor Organization, to pay attention to their problems.

Leaflets distributed during the demonstration carried messages like: We denounce the unjust and shameful starvation wages paid by farm owners in the rural areas of Coban, Alta Verapaz, Baja Verapaz, Peten, and Izabal. We demand that President Ramiro de Leon Carpio decree a 22.4 quetzal wage increase for peasants right away because his goal is to fight poverty, which is what he has repeatedly claimed in the media. We demand the freedom to organize, mobilize, demonstrate, and speak out in keeping with Articles 34 and 35 as well as other articles of the Constitution.

We say no to [word indistinct] and forced recruitment. We say no to the popular referendum because it is another attempt to deceive the people and because the people are not allowed to participate.

People: Do not allow the same people to deceive us. Join the struggle because it is the only path. Unican [expansion unknown] is here!

Dynamite Deactivated, Grenades Seized

PA2801205694 Mexico City NOTIMEX in Spanish 1826 GMT 28 Jan 94

[Excerpt] Guatemala City, 28 Jan (NOTIMEX)—Police sources reported that the Guatemalan National Police had seized five RPG-7 grenades today in a local restaurant and that a dynamite charge placed at the base of an electricity transmission tower had been deactivated.

The National Police Public Relations Department disclosed that the five grenades were hidden in different areas of "Los Antojitos" restaurant which specializes in Mexican food.

Four days ago the police also seized 10 rifle grenades in several commercial establishments located throughout Guatemala City.

The police report says that a powerful dynamite charge which had been placed at the base of an electricity transmission tower was deactivated this morning. The electricity tower is located in Villanueva colony, at kilometer 13. [passage omitted]

De Leon Holds News Conference, Comments on Situation

PA2901010194 Guatemala City Cadena de Emisoras Unidas in Spanish 2328 GMT 28 Jan 94

[Report by Jorge Celis from the Guatemalan Air Force Base's Protocol Room in Guatemala City—live]

[Text] President Ramiro De Leon Carpio is holding a news conference right now, and he is discussing various topics vital to the public. The topics include the latest subversive actions that have come in advance of the day of the referendum.

[Begin De Leon Carpio recording] I have a great deal of confidence in the Guatemalan people's strength, heroism, courage, and civic conviction. Although it is true terrorists have created precisely the atmoshere they wanted, this calls for a reply from the Guatemalan people. It is a challenge to the Guatemalan people. We will see how the Guatemalan people respond to these despicable and cowardly acts from terrorist groups. I have confidence the Guatemalan people will display the strength, heroism, courage, honor, civic conviction, and patriotism which characterize them and which, today, are being put to the test. [end recording]

Issues Message in Wake of Bombings

PA2901051794 Guatemala City Radio and Television Networks in Spanish 0355 GMT 29 Jan 94

[Message to the Guatemalan people from President Ramiro de Leon Carpio; issued in Guatemala City on 28 January; broadcast in progress—read by presidential spokesman Felix Loarta Guzman]

[Text] ...very similar to the various proposals made by the Guatemalan Government.

The new Honduran president talked about his firm commitment in favor of a moral revolution, and he spoke about his determination to fight corruption and impunity. He also outlined the basic principles of the new Honduran Government, such as austerity, honesty, and integrity, and the decision to initiate a great crusade against poverty.

The multitude that gathered at the stadium in Honduras—the people of our sister nation—showed their friendliness to the Guatemalan president with an enthusiastic ovation at his entrance and departure.

This afternoon, President de Leon Carpio returned from Tegucigalpa very grateful for the expressions of affection and solidarity he received from the Honduran people and government. The changeover of presidents in a democratic manner in our region is one of the most important factors to gradually consolidating the process of integration in Central America.

In Honduras, the president also had the opportunity to meet with several heads of state and government representatives from friendly nations who expressed their support for the efforts conducted by the Guatemalan people in favor of democracy.

The U.S. assistant secretary of state for inter-American affairs met this morning with President de Leon Carpio in Tegucigalpa, and he expressed the firm support from the government of President Bill Clinton for the aspirations of peace, development, and democracy in Guatemala. He received the same expressions of support from the prime minister of the Republic of China, Venezuelan officials, and from the Spanish justice minister. The entire international community is supporting the achievements made in Guatemala to consolidate the government within the framework of legality.

Therefore, upon returning to Guatemala and learning about the unfortunate incidents, particularly about the cowardly actions carried out by terrorist groups trying to create unrest among the Guatemalan people, the president condemned these actions. He also noted that both our people and the people of the world condemn these actions, because they represent an attack against democracy.

The Guatemalan president is a man who respects the laws and Constitution. Therefore, he immediately issued instructions to the state security agencies to fight terrorist groups according to the law. Nevertheless, President de Leon feels the best way to counter those who are acting against democracy is by working together—the people and the government—and report those who are planting the bombs.

The sense of awareness and repudiation of terrorism is very high. Thanks to the cooperation of many people of goodwill, we have managed to deactivate several bombs.

As a democratic president, President Ramiro de Leon Carpio is issuing a call to all of the people of Guatemala to defend the institutions and to reject provocations by those who, while hiding behind anonymity, are trying to make the country return to the sad disgraceful days of abuse against fundamental rights. The truth is that people no longer want to return to the past. Guatemalans want to live in peace, and therefore they reject violence.

The president was very sad to learn about the victims of the terrorist actions. All of this must come to an end in Guatemala.

The president has instructed the civilian forces, with the Army's support, to reinforce all measures to ensure every citizen's safety. The government will act firmly, yet within the Constitution's framework.

The president of the Republic also wants to take this opportunity to congratulate the state workers for their profound common sense in ignoring the leaders' unauthorized call to declare a general strike in the public administration. The state workers did not comply with the agitators and kept on working as normal. This shows we are maturing. The Guatemalan people want peace. All Guatemalans reject the attempts to destabilize the country.

Finally, the president of the Republic appeals to the people who are being used to plant terrorist bombs. The president wants to tell them they are causing great damage. They have left a trail of victims and damage. Power outages have irritated the population. Also, the damage caused on the electric infrastructure is considerable. The terrorists are hurting the people. This is why the people reject them.

The president hereby asks the Guatemalan people to turn a deaf ear on reports of bridges being blown up and bombs being planted. He also asks bus and truck drivers to be sensible, to keep talking with the government delegates, and to forget the idea of striking next week. The possibility of reaching an agreement through talks should be explored to its fullest. He also asks the Guatemalan people to remain firm and move the country forward. The only way to rebuild a Guatemala with social justice is with the Constitution and democracy. Thank you.

Army Blames URNG for Recent Terrorist Actions

PA2901024994 Guatemala City Cadena de Emisoras Unidas in Spanish 0000 GMT 29 Jan 94

[From the "News Patrol" newscast]

[Text] Army spokeswoman Major Berta Vargas de Marroquin blamed URNG [Guatemalan National Revolutionary Unity] guerrillas for the recent terrorist actions because it was URNG members who planted the powerful bombs on electricity pylons located throughout Guatemala City at 2100. She pointed out that these bombs caused blackouts and left people without lights.

Vargas de Marroquin noted that, by perpetrating these criminal actions, URNG members endanger the physical safety of the population, destroy the country's infrastructure, hurt private citizens by depriving them of indispensable electrical power, and cause considerable financial losses to the industrial sector and the population in general.

Officials Outline Security Measures for Referendum

PA2901000794 Guatemala City SIGLO VEINTIUNO in Spanish 28 Jan 94 p 9

[Text] Yesterday, Army spokesperson Berta Edith Vargas de Marroquin reported the National Army will carry out a "military control at a distance" operation in the capital's area given the upcoming referendum on Sunday.

The Government Ministry is responsible for the citizens' safety in order for the people to be able to exercise their right to vote in an appropriate atmosphere, although the Army is providing its cooperation in a coordinated way.

The actions will include patrols along roads used by people traveling from one place to another, and the number of Army forces will be increased accordingly in certain areas. Although she did not specify the number of soldiers that would directly participate in this operation, she said a special operation has become traditional for electoral events in recent years. She also said tranquillity and a peaceful electoral process should be expected on Sunday due to the work done by civilian security and military forces.

Members of the Attorney General's Office reported certain people have plans to obstruct the referendum; they said it involves groups that are interested is preventing the event. They added: Investigations conducted into recent terrorist attacks indicate unfortunate events may occur on Sunday, 30 January. Therefore, a contingency plan was prepared to guarantee the Guatemalan people's safety.

Carlos Alvarez, a member of the Public Prosecutor's Office, and Claudio Porres, investigations director at the Attorney General's Office, said the plan will be executed on a national level and will include all security forces.

Public prosecutors and investigators will also be deployed in strategic areas so they may immediately proceed to arrest people or groups found perpetrating criminal actions. The officials said: Likewise, we have information that members of the government worker unions will carry out demonstrations, but they will be immediately arrested and arraigned if they violate the law. "We trust the groups that have called for demonstrations will reconsider their decision and allow the people to freely cast their ballots so everything may be carried out normally," Alvarez and Porres said.

URNG Detonates Propaganda Bomb, Urges Boycott of Referendum

PA2901043594 Guatemala City Cadena de Emisoras Unidas in Spanish 0342 GMT 29 Jan 94

[Text] We have just received a report from our coworker Diego Andres de Gatica informing us that a propaganda bomb exploded tonight in a local market on Helena Avenue. The bomb scattered leaflets from the URNG [Guatemalan National Revolutionary Unity], urging the people to boycott Sunday's referendum.

Army: URNG Seeking To Intimidate Referendum Voters

PA2901183594 Panama City ACAN in Spanish 1635 GMT 29 Jan 94

[Text] Guatemala City, 29 Jan (ACAN-EFE)—The Army has accused the Guatemalan National Revolutionary Unity (URNG) of being responsible for dynamiting electricity high-tension pylons and for placing bombs in commercial establishments, resulting in at least three people being wounded during the past hours.

The Information and Press Department of the Army (Dide) has stated the URNG has caused the wave of terrorist attacks taking place throughout the country on the eve of the 30 January referendum to reform the country's Constitution.

"With these criminal actions, the URNG is endangering the people's personal safety, destroying the country's infrastructure, and causing countless industrial damages," the Army has stated.

According to the Dide, the guerrillas are seeking to intimidate the people to prevent them from participating in the referendum, because the URNG opposes Guatemalans expressing their desire to vote.

The Armed Forces communique also states the URNG is seeking to imply that they are still active and give the international appearance that Guatemala is undergoing a reign of violence.

According to National Institute of Electrification (Inde) sources, losses resulting from the dynamite attacks surpass 2 million quetzals (approximately $340,000).

The Army has implemented operations and is maintaining security measures along bridges and electricity high-tension pylons to prevent further attacks, Dide Spokesperson Major Edith Vargas has said.

The referendum scheduled to take place tomorrow aims to ensure the approval of reforms to 48 articles of the Constitution, such as rescheduling parliamentary elections for an earlier date, changing the Supreme Court of Justice, and shortening the presidential term from five to four years.

Guatemala is the only Central American country where guerrilla activity, which began in 1960, still persists.

Top Guerrilla Leader Killed in Clashes With Army

PA2901231994 Hamburg DPA in Spanish 2259 GMT 29 Jan 94

[Text] Guatemala City, 29 Jan (DPA)—Guatemalan guerrilla leader Angel Garcia de la Cruz, 31, whose nom de guerre is "Lieutenant Ramiro," died during clashes between rebels and Guatemalan Government forces, military spokesman Major Edith Vargas reported today.

According to the Army, the deceased was one of the most important members of the "Javier Tambriz" rebel front from the Revolutionary Organization of the People in Arms, one of the four rebel groups that comprise the Guatemalan National Revolutionary Unity. The "Javier Tambriz" front took its name from a guerrilla leader.

According to Marroquin, "Lieutenant Ramiro" was a lieutenant of "Gaspar Ilom," (Rodrigo Asturias), one of the four principle guerrilla leaders and son of Miguel Angel Asturias, recipient of the 1967 Nobel Prize for Literature.

The clashes between the guerrillas and the Army have intensified in the past weeks in the southwestern and northwestern part of the country.

Five Soldiers Killed in Clash With URNG

PA3001140794 Guatemala City Cadena de Emisoras Unidas in Spanish 1232 GMT 30 Jan 94

[Text] A bloody clash took place in the (Ixcandla Grande) area, third village, where a military detachment was transferred a few days ago in observance of the agreements with the repatriated and organizations that work for them.

The Guatemalan Information and Press Department of the Army [Dide] reports that yesterday at 0120 a gang of criminals cowardly attacked with rifle fire and RPG-7 rocket launchers the troops guarding communities in the area of (Mayalan), (Ixcanche), where five soldiers were killed and three more were seriously wounded.

This took place a few kilometers away from the last repatriation depot, which makes apparent, the Guatemalan Army states, the lack of resolve to reach a peaceful agreement for a solution to the domestic armed conflict.

Dide reports the soldiers killed are Corporal Efrain Gonzalez Ramirez; Soldiers First Class Luciano Perez Chua and Jesus Arturo Najera Perez; and Soldiers Second Class Valdemar Hernandez Jimenez and Edgar Benjamin Guevara.

The Guatemalan Army is informing the local and international public opinion of this cowardly act by URNG [Guatemalan National Revolutionary Unity] criminal terrorists so that the people may judge and condemn these stateless people, identified by the limited outlook of their criminal minds.

The Guatemalan Army bulletin adds that it deeply regrets the death of the five soldiers who gave their lives to the fatherland in the line of their sacred duty, and the Army extends its sincerest condolences to family and friends, praying for Christian resignation.

Calm Reported on Eve of 30 Jan Referendum

PA3001033394 Paris AFP in Spanish 0202 GMT 30 Jan 94

[Text] Guatemala City, 29 Jan (AFP)—Calm prevails in Guatemala tonight a few hours before the beginning of the referendum on constitutional reforms despite the tension on 28 January. A Guatemala Fire Department spokesperson told AFP that "it has been one of the calmest days" the capital has ever experienced. Meanwhile, few vehicles are circulating in the streets.

On 28 January there was a great deal of tension and it was even announced there might be a fuel shortage. This led to hundreds of Guatemalans going to gasoline stations to fill their vehicles for the next few days. Nevertheless, the supply of gasoline has been normal, despite the announcement of a transportation strike next week, which, according to transportation owners, might provoke a fuel shortage.

Guatemalan President Ramiro de Leon Carpio today warned that "we will intervene with transportation if it is halted." He also reiterated that the yes vote will win in tomorrow's referendum.

Polls indicate the yes vote will win. The constitutional reform will move up the election of a new Congress to this year. Nevertheless, uncertainty continues regarding the abstention rate in the referendum.

Polling Stations Open for Constitutional Referendum

PA3001135094 Panama City ACAN in Spanish 1315 GMT 30 Jan 94

[Text] Guatemala City, 30 Jan (ACAN-EFE)—Guatemala's polling stations opened their doors at 0700 (1300 GMT) today, Sunday, so that 3.4 million potential voters may have their say in the 1985 constitutional reform proposal.

If the yes vote wins, the Constitution will be changed and the legislative elections will be moved up, the Supreme Court of Justice will be changed, and the term for holders of public office will be reduced, among other measures.

Approximately 20 international observers, delegates from human rights organizations, and police and Army forces are watching so that the referendum will be held normally. The referendum has been preceded by a wave of bomb attacks in recent days. No one has claimed credit for these attacks.

President Ramiro de Leon and the Congress deputies have agreed on a referendum to end the confrontation the executive branch and Congress had last year, when congressmen refused to resign as the chief of state had asked to "purge" institutional corruption.

De Leon and the country's most important political parties have called for a "yes" vote to the reforms, but the left and the guerrillas—the only ones left in Central America and that have been armed since 1960—have urged the people to abstain from voting and to boycott the referendum, because they do not believe it will resolve the country's political and economic problems.

First Hour of Voting Marked by Abstention, Propaganda

PA3001152194 Panama City ACAN in Spanish 1445 GMT 30 Jan 94

[Text] Guatemala City, 30 Jan (ACAN-EFE)—According to several sources, the first hour of voting has been characterized by abstention and guerrilla propaganda against the constitutional reforms being voted on today in Guatemala in a referendum.

Alleged Guatemalan National Revolutionary Unity (URNG) members scattered fliers in the city's outskirts calling on the people to reject the reforms.

Several streets were littered during the predawn hours with other fliers in favor of the reforms.

Campaigning in favor or against the 43 constitutional reforms was prohibited by the Supreme Electoral Tribunal (TSE) since noon 28 January.

TSE Magistrate Mario Guerra Roldan has said to carry out any campaigning either for the "yes" or "no" vote, which includes moving ahead the date of the legislative elections, is against the electoral process.

Meanwhile, abstention marks the first hour of voting, and according to radio reports, the number of people who have gone to polling stations installed in various schools in Guatemala City averaged between three to seven.

Officials Comment on Referendum Voting

Workers Organization Official

PA3001170294 Guatemala City Cadena de Emisoras Unidas in Spanish 1455 GMT 30 Jan 94

[Report by Lucia Wong from the Parque de la Industria Information Center polling station]

[Text] There are citizens at the voting center, but very few, we have noticed. I also want to report that this morning's transportation service was very scarce. Very few vehicles were operating. The people going to the various voting centers in the capital to vote are doing so timidly.

We have an interview with Jose Pinzon, secretary general of the CGTG [Guatemalan Workers General Central Organization], who will give us his opinion about what is happening at Parque de la Industria.

[Begin Pinzon recording] There is an average of three voters per voting booth. We have toured the place. The CGTG is an observer in this popular consultation event.

At the voting booths we have visited, there is barely an average of three voters per booth, meaning, there is no enthusiasm. The people of the capital are stating no opinion. We do not know what is happening at other voting places, in the downtown area. We are going there. Anyhow, I believe the people are pessimistic and frustrated about the reforms to the Constitution, because they believe they have not been prepared clearly or honestly.

We do hope the people vote, to decide their own future in this issue. It is not good for the people to abstain from participation. They have been invited to abstain, but we believe this is negative, because to abstain from voting favors the reforms to the Constitution and this would be fatal to the Constitution, which has always represented some kind of social pact among Guatemalans [sentence as heard]. If this social pact is reformed, the pact would be broken. We do not think it is positive to remain home. [end recording]

Police Chiefs: Everything Normal

PA3001161094 Guatemala City Cadena de Emisoras Unidas in Spanish 1451 GMT 30 Jan 94

[Report by Victor Hugo Espinoza from Coatepeque]

[Text] In Coatepeque, thank God, everything is normal. Polling stations opened at 0700. We visited the National Police and the Treasury Police. We will first listen to Coatepeque Police Chief Patrocinio Benjamin de L[illegible]:

[Begin recording] [De Leon, in progress] ...to work out without problems and to allow the security of all citizens and Coatepeque voters.

[Espinoza] Have there been any disorders or terrorist attacks in your municipal jurisdiction?

[De Leon] Everything is going normally, thank God, and thanks to the security afforded by the National Police and the Army, with whom we have worked closely in addition to the municipal police.

[Espinoza] Is there any sort of special recommendation you would like to make to the people?

[De Leon] Only that they remain calm and behave the best they can to ensure that these elections benefit our Guatemala. That is what we wish.

[Espinoza] We are now in the office of Luis Everardo Soto, Coatepeque Treasury Police chief, who will give us important information on the sale of liquor. From what time were liquor sales suspended?

[Soto] Everyone who sells liquor and beer was told sales have been suspended from 1200 [as heard] onward until 0600 on Monday. The idea is to afford greater control during this referendum. Regarding security, this has been coordinated with the National Police. All the necessary security has been rendered since the day the election papers and ballots arrived in the municipality. Today we also have, in addition to the Treasury Police, the National Police.

[Espinoza] Have there been any disorders, or is everything normal up to now?

[Soto] Everything is normal up to now. I do not know if we are going to have any type of problems later.

[Espinoza] What recommendations would you like to make to our listeners?

[Soto] That they continue to behave the same way they have done up to now, so as to avoid any problems. [end recording]

President De Leon

PA3001171294 Guatemala City Cadena de Emisoras Unidas in Spanish 1600 GMT 30 Jan 94

[News Conference by Guatemalan President Ramiro de Leon Carpio with unidentified reporters at the University Auditorium polling station in Guatemala City on 30 January—recorded]

[Text] [De Leon] There is calm here and in the country's interior. I have just been informed that everything is normal, and the people are participating.

[Reporter] But participation....

[De Leon, interrupting] We do not know that yet because participation....

[Reporter, interrupting] [Words indistinct] if the yes vote wins?

[De Leon] This would demonstrate that the Guatemalan people have ratified what they demanded following the 25 May events: the purging of state organizations, Congress, and the Supreme Court, and the restructuring of [word indistinct]. This will be the first....

[Reporter, interrupting] [Words indistinct].

[De Leon] Political stability and calm that will allow us to govern and to face important social and economic problems through a government plan we have drafted.

[Reporter] Mr. President, do you have any preliminary report from the interior?

[De Leon] Of course. Fortunately everything is going normally, calmly. We do not know how many people are voting, but the truth is that despite all the terrorist problems, obstacles, pressure, and efforts to boycott the event, the referendum is taking place. The fact that the event is taking place strengthens the democratic system, because this is an example to the world. While in other countries domestic problems are resolved antidemocratically, through violence, here in Guatemala we are resolving this national political problem democratically, the most sacred way the people have as the expression of their sovereignty: through votes.

Zapaca Governor, Electoral Board President

PA3001194594 Guatemala City Cadena Emisoras Unidas in Spanish 1614 GMT 30 Jan 94

[Interview with Zapaca Governor (Augusto Cesar Riaza) and Antonio Ramirez Rivas, president of the Department Electoral Board, by reporter Elias Castro at the Department Electoral Board Headquarters in Zapaca—live]

[Text] [Castro] We now have a report from the Department Electoral Board Headquarters. We have statements by the Zapaca Department governor as well as by Antonio Ramirez Rivas, president of the Department Electoral Board. We will listen first to Governor (Augusto Cesar Riaza's) comments on this event. The department governor will now address our listeners via Emisoras Unidas, and he will let us know if any incidents have occurred and announce any other information he can provide concerning the referendum. Good morning, Mr. Governor; the microphones are yours.

[Riaza] Since the voting centers opened this morning at 0700, voting throughout the ten municipalities has been taking place quite peacefully. We know of no abnormal incidents that could tarnish the referendum.

[Castro] Mr. Governor, have you traveled throughout the other municipalities or just certain ones?

[Riaza] I personally toured three municipalities, but some of ny assistants are keeping me abreast of what is developing in the various municipalities. They have advised me that voting is taking place quite normally and that there are no problems now. We expect [words indistinct] there has been low voters turnout in certain places. I believe this is because it is still too early. About 10 or 20 minutes ago we received reports from [word indistinct], where only 6 percent of the total number of voters has already voted.

[Castro] Mr. Governor, we have observed security forces near the voting centers. Have you received any special instructions in this regard?

[Riaza] Yes we did. The security forces have been placed near the voting centers. According to a request by the Supreme Electoral Tribunal [TSE], the security agents will not be stationed inside the voting centers, but they are close by should any incident take place. As I already mentioned, no incidents have occurred so far.

[Castro] I appreciate the information provided by Governor (Augusto Cesar Riaza) and his participation here today. The Department Electoral Board president will now state why the Zapaca voting centers will be closing at 1700 and cite other information he can about the voting centers.

[Ramirez] First of all, I would like to thank you for the opportunity to address the Guatemalan people. You are always where the news is to be found. I would like to say the legislation regulating the referendum and the political parties allows us to establish when voting is to conclude. Considering the events that have been taking place during the past days regarding attacks and the possibility that electricity may be cut, we have decided it would be better to conclude at 1700, because there will still be enough light at that time, and we will be able to receive information from the voting centers. We have already issued a press bulletin in which we officially announced that voting will conclude at 1700. So far, the municipalities have reported that voting is taking place quite normally and peacefully. Our observers have noted, however, low voter turnout. By 1000, our observer at Rio Hondo reported that only 200 voters had participated.

[Castro] Will we be having another report soon, and what time will it take place? [Ramirez] I would like to say, according to information I have received, every municipal Electoral Board president must report to us by 1400 and 1600. They must notify us via telephone.

Vice President Herbruger

PA3001195894 Guatemala City Cadena de Emisoras Unidas in Spanish 1641 GMT 30 Jan 94

[Report by Jorge Celis Marroquin]

[Text] We are in Belen, where Vice President Arturo Herbruger is preparing to vote at voting booth No. 28. The vice president is voting just as the president of the Republic already voted at the center in the university assembly hall. While the vice president is voting we would like to say at this time the city looks very crowded, and there is much traffic. We also observed that there are several buses parked directly in front of the mayor's office. We do not know why so many buses are parked there, given we have not seen any municipal officer around the area.

As we said, the city seems increasingly crowded. Numerous individuals are starting to approach the voting centers located throughout the city. The vice president of the Republic is with us now, and he will comment on the referendum taking place.

[Herbruger] My first impression is that it is quite favorable. There are not too many people at this time, but neither is the place deserted. There are many people right now. I believe as the day progresses, voter turnout will increase.

[Unidentified reporter] Do you believe the campaign against the referendum had anything to do with the low voter turnout?

[Herbruger] I cannot say anything about that specific issue, because anything on which I may comment may be interpreted as propaganda. [laughs]

[Reporter] It is possible, however, to see propaganda against the referendum scattered throughout the street. Can you comment on that?

[Herbruger] I have not seen anything. As I was driving from my home, there was not much traffic, and I did not see any garbage or propaganda scattered about the streets.

[Reporter] How do you believe this process is being viewed internationally?

[Herbruger] I believe it is being viewed positively, because it is the first time a referendum is taking place in Guatemala in order to approve constitutional reforms; in this respect, I believe that internationally it is going to be viewed favorably.

Education Minister Tay

PA3001201694 Guatemala City Cadena de Emisoras Unidas in Spanish 1655 GMT 30 Jan 94

[Interview with Guatemalan Education Minister Celestino Tay Coyoy by Lucia Dubon, at the Parque La Industria voting station in Guatemala City—live]

[Excerpts] [Dubon] Good morning, Mr. Minister.

[Tay] Good morning. I am here to say, regarding the civic event taking place this morning, this has been a somewhat chilly morning and that I think this has had some impact on the people. I was in the west side, in the Santa Teresita area, where I voted, and I was told not many people had gone to vote. There were lines of approximately 40 voters per voting booth. When I was leaving I noticed that more people were going to vote. [passage omitted]

This is a very important moment for all the people of Guatemala, because our democracy is beginning to consolidate. A very important point has been made: In spite of the conflicts and crises we have endured, we have overcome them rationally, via dialogues. I believe this civic event, this voting, is very important. We must take advantage of this opportunity to speak out about in which direction we think the government should go. This is why I am inviting Guatemalans to fulfill their civic duties.

[Dubon] What do you think about the Congress president saying that regardless of the referendum result there should be a rapprochement between the executive and legislative branches, which have had confrontations that have produced the political crisis the country is enduring?

[Tay] Regarding the yes or no vote, I think it is important that Guatemalans speak out on this, because they have the right to do this to develop democracy. I think we all want to overcome the errors of the past, and this must be the framework of our civic behavior at this moment. Regarding the Congress president's statement that there has been a growing apart between the two branches, what happens is that the origin of the executive branch is different from that of the legislative branch. [passage omitted]

[Dubon] Mr. Minister, what do you think about the attacks? What influence will they have on the referendum? What about the leaflets that have circulated after the deadline for written propaganda?

[Tay] I have no information about the leaflets. I was in the interior yesterday, dedicating a school, in San Antonio, speaking with the teachers and the community. They were highly motivated. You know, the towns of San Antonio and Santa Catalina are places [words indistinct] enjoying the beauty of [words indistinct]. The people there are growingly in favor of pacification. I heard that [words indistinct].

There is an environment of fear in the capital, however. I think the media have also contributed to the creation of this atmosphere in the capital.

This morning, when I left home, certain people recommended that I not go too far away from the capital. I think this is a contradiction, because it is here where there is this atmosphere due to the attacks, due to those who think the people would not participate in the referendum.

I think this is, definitely, very negative, and the Guatemalan people should realize this and not approve of that kind of behavior; otherwise, how are we going to develop?

I think we Guatemalans must improve ourselves. Those who have carried out the attacks have committed a crime against the fatherland, because they harm the country. What they are doing is very grave.

We have to draw energy from our inner strength, because we are Guatemalans who are uprighteous, who are working for the people who want honesty and calm. I think honesty and calm must permeate through all Guatemalans so that we all, together, in an environment of reason, justice, and equity can march forward, because the country must progress.

This country must get out of the crisis and reach the development levels we all want. This is what everybody says; for this reason, I think it is very important that this morning we Guatemalans speak out, aware of the fact that we are part of this democracy.

President Denies Resignation If 'No' Vote Wins

PA3001181394 Mexico City NOTIMEX in Spanish 1628 GMT 30 Jan 94

[Text] Guatemala City, 30 Jan (NOTIMEX)—Guatemalan President Ramiro de Leon Carpio denied here today that he could resign from his post should Guatemalans reject his constitutional reform package revoking the mandate of Congress' 116 deputies and nine Supreme Court justices.

Speaking at the University Auditorium (in this capital's Zone One), where he cast his vote, the president said he trusts the referendum will strengthen the democratic system, which was negatively affected by the foiled self-coup d'etat by Jorge Serrano Elias.

De Leon said this morning voting is taking place within the framework of "political calm." Meanwhile, the Defense and Government Ministries have mobilized at least 24,000 troops throughout the country.

The president said he is happy with the way Guatemalans are participating, because "the referendum is taking place as planned" despite terrorist activities.

He said: "The referendum represents an example to the world, because while in other countries, political crisis are resolved in antidemocratic and violent ways; here in Guatemala electoral mechanisms are wielded to resolve problems."

Referring to the threat of a transportation stoppage on 1 February, de Leon Carpio said: If necessary, "I will check it." He cautioned: "I will assume my responsibilities with whatever measure I may have to adopt in the economic, social, and political fields."

De Leon discarded, however, utilization of the Army to guarantee power and staples for the Guatemalans. Regarding this Sunday's referendum, he said there are many covert groups (which he did not identify) that are interested in the democratic system not gaining strength.

He cautioned that if the "no" vote wins and should public order be disrupted, "I will adopt measures the situation may require and the law allows, because I will not tolerate any disruption of public order."

De Leon Carpio—who hinted that violence could increase if the no vote wins—said: "The enemies of democracy are not very happy."

The president reiterated his intention to fight violence and poverty, which affects 80 percent of Guatemalans, and to channel resources to strategic fields, such as health and housing.

Propaganda Bomb Explodes During Referendum; No Damage

PA3001184394 Paris AFP in Spanish 1754 GMT 30 Jan 94

[Text] Guatemala City, 30 Jan (AFP)—A "small propaganda bomb" exploded today in Guatemala as the referendum was under way to vote on reforms to 43 constitutional articles, but the incident did not cause damage or casualties, police sources have reported.

At 1100 (1700 GMT) there has been scarce voter turnout, and the election centers are half empty, although the Supreme Electoral Tribunal (TSE) trusts "voter affluence will increase later."

It was confirmed in a downtown polling station that the number of voters was not over 15 percent four hours after the polling station opened.

In addition, Carolina de Reobordelo, president of the Electoral Board of Quezaltenango, the second largest city, has told reporters voter turnout has not even reached 10 percent, but she said "it will increase after mass."

Other interior reports note that voter turnout has been less than in previous elections, making it appear that voter abstentionism might exceed 60 percent.

The National Police has reported the explosion of "a small propaganda bomb" but did not report where or who was responsible.

A police spokesperson has said that despite this incident, the referendum is being held normally and under strict security.

The polling stations will close at 1800 (0000 GMT), and preliminary returns will be known a few hours later. It is expected that the final result of the referendum will be known before midnight.

'Absolute Normalcy,' Low Turnout Reported

PA3001220994 Panama City ACAN in Spanish 2050 GMT 30 Jan 94

[Text] Guatemala City, 30 Jan (ACAN-EFE)—Guatemalan Government Minister Arnoldo Ortiz has told ACAN-EFE that today's referendum to reform the Constitution of Guatemala is proceeding normally and added that there have been no sabotage or attacks.

Three hours before the closure of voting centers at 1700 (2300 GMT), the minister pointed out that there is absolute normalcy nationwide and added that voter turnout appears to be low. Ortiz, as well as the magistrates of the Supreme Electoral Tribunal (TSE), attributed the apparent abstentionism to citizens fearful of possible explosions and bomb threats, of which there were dozens in the past weeks.

The police reported that a grenade, which did not explode, was found today inside an abandoned car in the capital. It is not known when it was planted there. The police attributed the explosions to the guerrillas who urged the people to abstain and boycott the referendum.

Ortiz said that the police assigned to voting centers are protecting 3.4 million citizens, more than a third of the population. The Army, which stays away from voting centers, has also guaranteed security along highways and at bridges and towns, but men in uniform are virtually absent in the capital.

Presidency Secretary General Hector Luna also reported absolute normalcy during the referendum that will approve or reject 43 reforms to the Constitution. Among other things, they would allow legislative elections within three months and the replacement of members of the Supreme Court of Justice.

TSE Magistrate Marco Guerra told ACAN-EFE that terrorist actions promoted abstentionism, which could reach 50 percent, according to Guatemalan Vice President Arturo Herbruger.

Polls Close; Abtentionism Reportedly 20-25 Percent

PA3101001294 Panama City ACAN in Spanish 2326 GMT 30 Jan 94

[Text] Guatemala City, 30 Jan (ACAN-EFE)—Voting in the referendum held today in Guatemala to reform the constitution and replace the Parliament and Supreme Court concluded nearly everywhere in the country. It was characterized by high abstentionism and an absence of major incidents.

The presidents of several voting tables in the urban and rural areas estimated the turnout at 20-25 percent at closure time.

One of the first tables to yield results in Totonicapan reported, according to local reporters, 71 yes votes, 18 no votes, and 35 void votes, and was marked by very high abstentionism that was not quantified.

'Terrorist Device' Explodes in Capital; No Casualties

PA3101035394 Guatemala City Cadena de Emisoras Unidas in Spanish 0328 GMT 31 Jan 94

[Report by Andres De Leon]

[Text] A few moments ago, a terrorist device exploded on 12th Avenue and 19th Street in Zone 1. Three firefighting units immediately went to the site but only damage is reported. The terrorist device did not cause any casualties. It is the first to explode during the referendum process, which is about to conclude with the announcement of the official results.

Vice President Herbruger on High Abstention Rate

PA3101022694 Panama City ACAN in Spanish 0111 GMT 31 Jan 94

[Text] Guatemala City, 30 Jan (ACAN-EFE)—Guatemalan Vice President Arturo Herbruger ruled out the possibility that a high abstention rate at the referendum on constitutional reforms, which is being held in the country today, will weaken the government headed by Ramiro de Leon Carpio. In statements to ACAN-EFE, Herbruger Asturias indicated that a referendum is based on valid votes and not on the number of people who did not vote and voluntarily excluded themselves from participating in the solution of a national problem. Herbruger Asturias, who prior to holding the vice presidency was the Supreme Electoral Tribunal (TSE) president, pointed out that the people's abstention in the referendum "had been anticipated a long time ago" and "nobody said it would weaken the government."

"We have to take into account that the electoral system gives people the option to vote as it is only a civic duty," Herbruger argued. He credited the electorate's poor response "to the people's indifference. They do not care what happens politically in their country" and not to the recent terrorist actions. "I don't believe the terrorist actions negatively affected the referendum, although this was their purpose. People vote with or without terrorism," the vice president underscored.

Arturo Herbruger cast his yes vote at the Belen Institute, located approximately 600 meters from the government offices, and he showed his ballot to reporters. For this reason, the Union of the National Center requested that his vote be annulled. According to National Prosecutor Sydney Shaw, the vice president violated the electoral and political parties laws because the vote is secret. However, TSE President Fernando Bonilla indicated that the electoral law does not stipulate any penalty for citizens who show their ballots.

The Guatemalans were called to a referendum today. They have to approve or reject the constitutional reforms negotiated between the deputies and President Ramiro de Leon Carpio in November 1993. The reforms include the purge of government organizations and an end to the political confrontations between government branches.

The first results reported by the media indicate the victory of the "yes" vote. This victory, however, has been minimized by the high abstention rate, which, according to local politicians, could be greater than 60 percent. Important union and civic organizations, as well as the Guatemalan National Revolutionary Unity—with which the government will hold peace talks in February—had requested people to abstain from voting.

Initial Results: 'Yes' Vote Winning, High Abstentionism

PA3101020394 Panama City ACAN in Spanish 0124 GMT 31 Jan 94

[Text] Guatemala City, 31 Jan (ACAN)—The initial count by the Supreme Electoral Tribunal (TSE) in the Guatemalan capital shows a victory for the "yes" vote in today's referendum on 43 constitutional reforms and a high abstention rate of 73.3 percent.

The TSE said that with 6 percent of the 1,122 polling stations in the capital counted, the "yes" vote obtained 13.62 percent and the "no" vote 3.22 percent. Abstentionism reached 73.3 percent in this initial count in the metropolitan area.

The TSE also reported that in Totonicapan Department, where 125 polling stations were located, 1,845 people voted for the reforms and 404 voted against them.

De Leon on Talks With New Honduran President

PA2901030794 Guatemala City Cadena de Emisoras Unidas in Spanish 0015 GMT 29 Jan 94

[Statement by Guatemalan President Ramiro de Leon Carpio during a news conference upon his return from Honduras; at the Guatemalan Air Force Base's Protocol Room in Guatemala City on 28 January—recorded]

[Text] Honduras and Guatemala have to fight poverty and corruption as one of the most serious problems faced by our nations. We have to show honesty and political determination, which, as I said before, will lead to closer relations between both countries. President Reina and I held a brief working meeting at the airport. I also held working meetings with the president and the rest of the Central American presidents. There is complete agreement on the principles of austerity, honesty, and the fight against corruption. We need to give a human and social image to our economic growth, which should have a distribution with social equality. I believe there is a complete identification with the new Honduran president.

Honduras

Armed Forces on Inauguration Jeering

PA2801174894 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 28 Jan 94

[Report by Romulo Matamoros; from the "The Morning Paper" newscast]

[Text] Lieutenant Colonel Napoleon Santos Aguilar, Honduran Armed Forces spokesman, said the military had to handle a report that turned out to be a false alarm before the inauguration of the new government.

[Begin recording] [Santos] The Public Security Forces were alerted to an unidentified object, near the Camosa area, I understand. Specifically, it was located on the route to Toncotin Airport. The bomb squad went to the site and determined it was an empty box. [end recording]

Commenting on the catcalls heard at the Tegucigalpa National Stadium during the inauguration the moment the Honduran Armed Forces General Staff members entered, Santos said:

[Begin recording] [Santos] We regard this in a positive light. This definitely shows you rifles have not served only to crush the people. The people at any given time are totally at liberty to express themselves without the fear of being crushed. We believe this is a situation.... [pauses] We look at it under a positive light. These situations definitely merit analysis. This did not happen four years ago, and it happened now. We hope that in the next four years corrective measures are taken. That way the situation will be totally different four years from now.

[Unidentified reporter] Colonel, why do you think the people in the stadium jeered you?

[Santos] The fact is these things happen to express disapproval of certain actions that are not conducted by institutions but are often isolated incidents by individuals who commit actions that fall outside the law. [end recording]

Santos maintained the catcalls were not directly aimed at Luis Alonso Discua, the Armed Forces chief.

[Begin Santos recording] This is not a situation against the Armed Forces chief. It shows disapproval of some actions that we have acknowledged at the opportune time and have sought to correct. At any given moment, the important thing is to analyze them with the goal of amending them so these things do not happen. [end recording]

Discua on Armed Forces Status

PA2801220194 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 26 Jan 94

[Interview with General Luis Alonso Discua Elvir, chief of the Armed Forces, by Reporter Trino Murillo on 25 January; place not given—recorded]

[Text] [Murillo] Yesterday, General Luis Alonso Discua Elvir, chief of the Armed Forces, explained certain Armed Forces plans and rebutted criticism from certain sectors of Honduran society. At the beginning of the interview Gen. Discua discussed a very important issue: the transfer or change over of Joint Chief of Staff Reynaldo Andino Flores to the Defense Ministry. My first question is if this should be viewed as a purge or a normal change within the Armed Forces.

[Discua] Allow me to tell you that no ulterior motives should be attached to this situation. A list of officers who could fill the Defense Ministry post was presented to the president-elect, who had publicly requested such a list at a council meeting. When he returned from the United States I gave him a list of several officers and the selection was made exclusively by the president- elect.

[Murillo] That is a normal decision during a change of government. Nevertheless, he also spoke of the duties the military institution would carry out through the Executive Branch to coordinate with Congress a purging of the police and to counteract the crime wave that is destroying the country.

[Discua] As I said, there are many issues that must be approached in a very serious manner, such as military service, human rights, and the police. I have spoken at length with the president- elect about these issues because the Armed Forces want to resolve them. Of course, it would be irresponsible on our part to [words indistinct] because that requires a process that should conclude prior to the year 2000 when the police and Armed Forces are in the condition the people would like to see. The Armed Forces have always agreed with a constitutional reform pertaining to the police, and we are working on it. In due time we will present a report to the president-elect; the general situation has been outlined to him and we are waiting for him to summon us. We are [words indistinct] to all the issues that have been sources of controversy at any given time, but this has helped us to reconsider and begin a period during which, I believe, the people will be content.

[Murillo] Spokesmen from the party that is about to take office have said that international organizations are pressing for constitutional reforms and that they have established certain conditions. These conditions include reducing the Army and making certain basic taxes mandatory so payments will continue to be made to the government. What is your reaction to this? You have always said that foreign pressure should never prevail.

[Discua] I must tell you that approximately three months ago, or, in other words, last year a meeting was held in Chile to examine Latin America's military spending. The participants took a very close look at military spending with regard to each country's gross domestic product. In Latin America, military spending fluctuates between 1 percent and 7.6 or 7.8 percent. Therefore, there are countries whose military spending is very high. Honduras' spending is less than 1 percent. In other words, our military spending with regard to our GDP is the lowest in Central America and even in Latin America. The Honduran Armed Forces have a budget of $40 million; Costa Rica has $48 million, and the figure rises. In other words, Honduras is the Central American country that spends the least on its military.

[Murillo] [words indistinct] making of demands seems to be a prerequisite?

[Discua] This is logical. However, I believe the president-elect stated categorically in Washington that the Armed Forces reduction had to conform to each government's needs for equipment [word indistinct]. I have always said that we have to find a balance in Central America. I know the institution must make structural reforms to be in keeping with the new government's modernization policy.

[Murillo] With regard to the implementation of the military law, General Discua said there is no wrestling for power or internal strife in the military institution. He added that new groups arise in the Armed Forces as classes start to retire in compliance with the institution's bylaws and military law.

[Discua] Logically, we at Mufoco [expansion unknown] will no longer be active Armed Forces officers, and new classes will start taking our places. I believe we have to start the opening process. My entire graduating class will retire when I finish my term and new classes will take our places. They are young military men with experience who will always try to do what is best for the institution. We have to hope that this is how it will turn out.

[Murillo] As an institutional policy, and based on international agreements, several U.S. Government sectors have already asserted that they support turning Palmerola into a regional counter narcotics center for Central America and the Caribbean. This prospect is also supported by President Reina. Do the Armed Forces endorse it too?

[Discua] One of my administration's main objectives has been the struggle against drugs. I have supported all the programs initiated by our government and those initiated by friendly countries to defeat the scourge of drug trafficking. I have always said the Soto Cano Base should be turned into a Honduran base to combat drug trafficking at a regional level. It should unify all actions in the region to enable us to stop or lessen the flow of drugs to northern countries.

[Murillo] Has this been discussed at top levels, General?

[Discua] Yes, we have been talking about this possibility constantly. I visited Washington and talked with senators and congressmen about my plans to combat drug trafficking.

Congress Elects Supreme Court Justices, Attorney General

PA2801212494

[Editorial Report] Tegucigalpa EL HERALDO in Spanish on 26 January publishes on page 4, under the heading "Rivera Portillo Elected Chief Justice," a 500-word report on the National Congress proceedings on the afternoon of 25 January. The Supreme Court members, attorney general, and deputy attorney general for the 1994-98 term were elected "almost unanimously."

The report indicated that Miguel Angel Rivera Portillo was elected chief justice; Jose Maria Palacios Mejia, Jose Eduardo Gaugel Rivas, Dario Humberto Montes, Jeronimo Sandoval Marin, Blanca Esmeralda Valladares Garcia, Rigoberto Espinal Irias, Armando Hernandez Mundth, Marco Tulio Alvarado Crespo were elected as justices; and Jose Fernandez Guzman, Juan Murillo Duron, Carlos Gomez Moreno, Ricardo Galo Moreno, Angel Ramon Mena, Florencia Martell Cruz, and Ruben Humberto Munoz were elected as deputy justices.

The report also stated that Jorge Reyes Diaz was elected attorney general of the Republic, and Max Gil Santos Lozano was elected deputy attorney general. It added that both Reyes and Santos are members of the Florista Liberal Movement.

Guatemala's De Leon on Bombings, Upcoming Referendum

PA2801230794 Paris AFP in Spanish 2108 GMT 28 Jan 94

[Text] Tegucigalpa, 28 Jan (AFP)—Guatemalan President Ramiro de Leon Carpio today said the recent terrorist attacks in his country are linked to the upcoming referendum, and he added that some "extremist groups" do not want the democratic process in Guatemala to be strengthened.

De Leon, who attended the swearing-in ceremony of the new Honduran president, regretted that the bombings, blackouts, and some shootings, which took place in the capital last night, are creating tension in his country two days before the referendum. In Sunday's referendum, the people will decide whether to approve a series of constitutional reforms, the most important of which will allow new officials to be appointed to the Congress and to the Supreme Court this year.

De Leon said he and Honduran President Carlos Roberto Reina share the goals of fighting corruption, drug trafficking, and poverty, as well as the search for peace and economic growth with social justice for everyone. The Guatemalan president noted that guerrillas have been active in his country over the past 30 years. He said his government will resume talks with the rebels in mid-February in a search for peace in the only Central American country where an armed conflict persists.

De Leon Carpio said he hopes a peace agreement will be signed this year because a commitment has been made to the United Nations to achieve this goal. He also said that if the parties fail to reach an agreement, they would be showing a lack of commitment.

Nicaragua

FSLN Sectors Agree on Constitutional Reforms Negotiation

PA2801165294 Managua BARRICADA in Spanish 25 Jan 94 pp 1, 5

[Article by Jorge Katin and Carlos Garcia]

[Text] The National Directorate of the Sandinist National Liberation Front [FSLN] and the Sandinist faction reached an agreement on 24 January regarding the negotiating process of constitutional reforms, a topic that had been triggering disagreements between the two Sandinist sectors.

Yesterday, after concluding a special National Directorate meeting, and which was attended by all of its members, the Sandinist leadership agreed to consider the document approved on 18 November 1993 by the National Assembly as the "fundamental political document" on the topic.

In addition, the UNO [National Opposition Union]-FSLN agreement is for the FSLN, according to the agreements reached by the National Directorate, the "basis to discuss the constitutional reforms." The Sandinist National Directorate and the faction added that documents or draft bills presented by the other groups or factions must be recognized as legitimate positions of the other parties.

The Sandinist leadership also decided that the FSLN negotiating commission, which is made up of Daniel Ortega, Sergio Ramirez, and Bayardo Arce, begins a round of meetings with the representatives appointed by the deputies of the Group of 13 (Social-democrats and conservatives) and with the representatives of the Political Council of the four factions "so as to strengthen the negotiating process of constitutional reforms in political terms."

The Sandinist leadership also gave its political support to the Sandinist faction when it agreed that it "should be the sector to study and discuss the draft reform bill, which will result from the consensus reached by all parties," and that the "parliamentary negotiation ... will be conducted by the Sandinist faction."

One of the directors of the Sandinist faction said that this mechanism will allow the National Directorate's negotiating commission to coordinate with the Sandinist faction, which will discuss the draft reform bill with the other groups in parliament that are not members of what we currently know as the "Group of 13."

This position, which was unanimously adopted by the National Directorate yesterday, seems to resolve a problem that threatened to create a new crisis among some leading sectors of the FSLN.

Last night, FSLN Secretary General Daniel Ortega confirmed that the differences between the two sectors had been overcome completely.

After concluding a meeting with Presidency Minister Antonio Lacayo on the transportation strike, Ortega stated that: "All differences between the faction and the National Directorate regarding the topic have been overcome entirely."

According to Ortega, the decisions made yesterday by the National Directorate will not affect the discussion of the reforms, but they will rather "broaden other forces." Ortega added that this does not imply disrespect for or disregard of the agreements among factions.

He reiterated that the FSLN wants to meet with various social sectors to analyze the reforms and, particularly, that Nicaraguans are given the opportunity to express their views regarding the draft reform bill through open town councils.

Government, Transportation Representatives Reach Accord

PA2901173194 Managua Radio Nicaragua Network in Spanish 1512 GMT 29 Jan 94

['Act of Agreement' signed between the Nicaraguan Government and representatives of the Transportation Commission at the Olof Palme Convention Center on 29 January 1994; read by Dr. Francis Silva, from the Presidency Public Relations and Official Information Directorate]

[Text] Act of Agreement

The undersigned ministers, representing the government of the Republic of Nicaragua, and representatives of the transportation organizations have gathered at the Olof Palme Convention Center to find a solution to the current transportation problem and hereby agree that:

1. Gasoline prices are hereby frozen until 31 May 1994. From that date onward, fuel prices will be adjusted monthly, considering only the sliding exchange rate, except when international oil prices exceed $17 a barrel.

2. Diesel fuel prices will remain frozen at a national average price of 7.15 cordobas a gallon until 30 April 1994.

3. An in bond [preceding words in English] store is hereby authorized for the importation of tires, spares, and other supplies for the exclusive use of cooperative transportation sectors so that, in accordance with Article 74 of the General Law of Cooperatives, they can benefit from tax exonerations established therein; exceptions to this are stipulations under Chapter 27 of the SAC [Central American Tariff System].

4. The value added tax for local purchases of goods and services by legally registered transportation cooperatives will be reimbursed, beginning 1 March 1994.

5. Within the framework of the development of transportation enterprise cooperatives properly registered with the MCT [Constuction and Transportation Ministry] to this date, the government will provide a revolving fund, via the appropriate institution, to retain an annual market of 10 million cordobas, endeavoring to obtain the lowest possible interest rate.

6. Commercial passenger and cargo trucks, as well as taxi drivers with operating vehicles, organized under legally registered cooperatives will receive a coupon worth 1.28 cordobas for a gallon of gasoline up to a maximum of six gallons a day. This coupon system will be effective between 30 January to 30 April 1994. This coupon will be handled according to the September 1993 agreements.

7. It goes on record that there will be no additional charges to those currently established under Decree 62-93 for license plates, driving licenses, and others. The Presidency will be requested to issue a new decree to this effect, which in effect will repeal Decree 62-93.

8. It has been agreed to appoint a commission to create the National Land Transportation Council [Consejo Nacional de Transporte Terrestre].

9. A review of the agreements signed in September 1993 will take place via work commissions for each case; likewise, the MCT communique dated 27 April 1993 will be implemented.

10. By 15 February 1994, and after studying Central American costs, a meeting will be held with the mayors' financial commission of the directors for the Nicaraguan Institute for Municipal Development [Instituto Nicaraguense de Fomento Municipal], Imifom, the Finance Ministry, and transportation representative organizations to discuss the 1994 road tax and methods of payment for the cargo and passenger transportation sector. Imifom will summon a meeting for this.

11. Once this agreement is signed, the transportation organization representatives pledge to immediately suspend the national transportation strike.

12. At the request of the transportation organization representatives, signatories of this act of agreement, all those who have been arrested for their involvement in the events linked to the transportation strike were freed, without detriment to the corresponding procedural investigation. Present were Monsignor Eddy Montenegro [Vicar general of the Managua Archdiocese] and Dr. Armando Urbina Vasquez.

Issued in the City of Managua at 0600 on 29 January 1994.

[Signed] Finance Minister Emilio Pereira Alegria; Labor Minister Dr. Francisco Rosales Arguello; Construction and Transportation Minister Pablo Vigil Icaza; Government Minister Alfredo Mendieta Artola; Economy and Development Minister Pablo Pereira Gallardo; Brigade Commander Fernando Caldera Azmitia, National Police general director, on behalf of the government.

On behalf of the transportation organizations, Aristides Ortega, Fetracolnic [Nicaraguan Federation of Collective Transportation]; Jose Guerra, Fetracanic [Nicaraguan Federation of Cargo Transportation]; Francisco Silva, Catrinans [Nicaraguan Chamber of Transportation]; (Marco Gravis), National Transportation Chamber; Luis Jimenez, Anatra [expansion unknown]; Dr. Armando Urbina Vasquez, Punde [expansion unknown]; and Monsignor Eddy Montenegro, Episcopal vicar.

Transportation Commission Ignores Agreement

PA2901181094 Mexico City NOTIMEX in Spanish 1630 GMT 29 Jan 94

[Text] Managua, 29 Jan (NOTIMEX)—The National Transportation Commission [CNT] today ignored the agreements the government and four transportation sector organizations signed early this morning and called for the continuation of the transportation strike throughout the country.

During this morning's meeting with the government, the Nicaraguan Freight Transportation Federation [Federacion de Transporte Carga de Nicaragua], the National Chamber of Transportation [Camara Nacional del Transporte], and the National Association of Transportation [Asociacion Nacional del Transporte] committed themselves to suspending the transportation strike, which entered on its sixth day today.

The authorities agreed to freeze the prices of gasoline and diesel fuel until May and April, respectively, granted a subsidy to cooperatives of taxis and commercial delivery vehicles during the next four months, and granted tax exonerations and concessions.

The government also released the 209 drivers arrested 26 and 27 January during police operations in the Nicaraguan capital, because they had obstructed the free movement of people.

After dismissing the agreement, Gustavo Aguiluz, a spokesman for the Sandinist CNT, described this morning's agreement, however, as a show mounted by the government in alliance with other organizations to unsettle or weaken the strike.

He said unilateral decisions do not resolve the demands on the gasoline issue. He said in four months a new demonstration would be necessary to prevent a fuel price increase. The passenger service strike continues, and only a few buses and taxis are circulating in Managua.

The CNT has called a demonstration of force for 31 January in this capital, where it will rally all of the country's buses and taxis.

Police Troops Patrol Managua During 7th Day of Strike

PA3001182394 Hamburg DPA in Spanish 1656 GMT 30 Jan 94

[Excerpt] Managua, 30 Jan (DPA)—National Police troops patrolled the Nicaraguan capital today on the seventh day of the transportation strike, although certain buses began to operate in the capital.

The police deployment, which includes vehicle checks, was prompted by the National Transportation Commission (CNT), which said it will stage a huge march with 5,000 vehicles that will gather in Managua tomorrow to continue the protest against the government.

Although the government has released more than 200 drivers who had been arrested in the past operations in Managua, the CNT, which called the strike, this weekend rejected the way four transportation organizations made "deals" with the government, causing them to be labeled "traitors" by the CNT.

The city newspapers published reports on Managua's militarization, noting there are few cases in which street corners and crossings are not guarded by policemen who are armed with Soviet AKA rifles and ammunition, giving the impression they are going to war.

Many policemen are driving state vehicles, including Transportation and Construction Ministry vehicles. [passage omitted]

Gen. Ortega Undergoes Knee Surgery in Mexico

PA2801172894 Managua LA PRENSA in Spanish 27 Jan 94 p12

[Report by Roger Suarez]

[Text] General Humberto Ortega underwent surgery on both knees at a Mexican clinic, Sergio Ramirez, Sandinist National Liberation Front bloc chief, stated yesterday during a news conference.

Army spokesman Lieutenant Colonel Ricardo Wheelock confirmed today to LA PRENSA that Gen. Ortega underwent "a minor operation in Mexico on both knees but is in perfect condition and will soon return to the country."

Yesterday, Sergio Ramirez called a news conference to defend himself from attacks by his opponents in Sandinist radio stations La Primerisima and Ya.

In a commentary, newsman William Grisby said Gen. Ortega had maintained a political alliance with Presidency Minister Antonio Lacayo and Ramirez, but these two had betrayed the army chief last September.

When Ramirez was asked about the charges that he betrayed Gen. Ortega, he replied: The last time I spoke with Humberto Ortega was Thursday, when he called me from Mexico because of my mother's death. "From his hospital bed and still under the anesthesia, he called me very shaken to give me his condolences.... That is my personal relationship with Humberto Ortega," the former Sandinist vice president stated. It is not known if Ortega will use crutches for some time or will walk with a cane.

Panama

Presidency Minister Resigns To Manage Alliance Campaign

PA3001044294 Panama City EL PANAMA AMERICA in Spanish 27 Jan 94 p 5a

[Report by Arnulfo Barroso Watson]

[Excerpts] EL PANAMA AMERICA has received information that Presidency Minister Julio Harris presented his irrevocable resignation to his post so as to accept the position of political campaign manager for the official Democratic Alliance ticket. [passage omitted]

It was also reported that Deputy Minister Ivonne Young will be in charge of the Presidency Ministry. Young has been heading the ministry for the past several weeks. [passage omitted]

Argentina

Di Tella Says U.S. To Invite Argentina To Join NAFTA

PY2801173994 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 28 Jan 94

[Text] Argentine Foreign Minister Guido Di Tella has said in Washington that the United States will invite Argentina to join the North American Free Trade Agreement, NAFTA. He added that the United States will make this official before July 1994 and that the decision will not affect Mercosur [Common Market of the South].

Di Tella said this is a very important step toward the original idea of achieving a free trade zone in the Americas.

To Meet UN's Ghali; Aware of Chilean Trip

PY2801172894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1335 GMT 28 Jan 94

[Excerpt] Buenos Aires, 28 Jan (NA)—Foreign Minister Guido Di Tella today stated that security and drug trafficking are on the agenda he will discuss with UN Secretary General Butrus Butrus-Ghali on 31 January in New York.

Di Tella has been in Washington since 26 January discussing several topics with State Department officials. The definition of the purchase of the A-4M planes equipped with the most up-to-date radars and the retooling of the Falda del Carmen plant are among the topics he is discussing.

The Argentine foreign minister stated that he is aware of the trip by Chilean congressmen to the Malvinas Islands "for purely ecological reasons," adding that "they promised to pass on their impressions upon their return." [passage omitted]

U.S. To Approve Late-Generation Radars

PY2901192794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1211 GMT 29 Jan 94

[Text] Buenos Aires, 29 Jan (NA)—A high-ranking source close to the Foreign Ministry disclosed that next week it will be officially announced that the United States has acquiesced to fitting 36 Skyhawk A-4M planes purchased by the Argentine Government with late-generation radars.

Meanwhile, Foreign Minister Guido Di Tella, who is currently in Washington, asserted that the meeting he held with U.S. Commerce Secretary Michael Kantor to discuss Argentina's possibility of joining NAFTA was "highly positive."

On the radar issue, it leaked out that negotiations in the last few months with the U.S. State Department to overcome the logjam in the purchase of Skyhawk A-4M aircraft fitted with state-of-the-art radars had yielded successful results. This stalemate stemmed from the fact that the United Kingdom, the United States' leading partner in NATO, had offered ironclad opposition to this business transaction.

This information was provided to NOTICIAS ARGENTINAS by the aforementioned source, who also noted that the negotiations by the former chairman of the U.S. Joint Chiefs of Staff, General Colin Powell, were of "paramount importance."

During President Carlos Menem's state visit to the United States last June, Gen. Powell pledged to Defense Minister Oscar Camilion to make every effort to supply the radars requested for the aircraft bought by Argentina.

As the same source pointed out, "they [the Americans] have understood that the planes' purchase was not due to military buildup reasons but rather to replace, in some way, the ones lost during the Malvinas war."

Commenting on another issue, Di Tella—who has been in Washington since 26 January conducting negotiations with U.S. State Department officials—played down the importance of the visit a group of Chilean congressmen will make to the Malvinas Islands.

To that effect, the foreign minister noted that he had discussed the issue with those Chilean congressmen, who not only told him that the reason for the trip is merely environmental, but also committed themselves to submitting their impressions to the minister once they return home from the trip.

Di Tella held talks with Kantor and U.S. Secretary of State Warren Christopher on 27 January, and this afternoon he met Anthony Lake, assistant to the President for national security affairs on the National Security Council.

Di Tella, speaking on the radio, said: "We discussed several subjects with Kantor, including Argentina's chances of joining NAFTA and the compatibility between that alternative and Mercosur. We want to study both alternatives and see how they can be made compatible with each other."

Concerning the meeting he will hold with UN Secretary General Butrus Butrus-Ghali, the foreign minister said: "Security and drug trafficking are sure to be on the agenda, but they will not constitute the main issues of the meeting."

To that effect, Di Tella ruled out the possibility of there being violent outbreaks in Argentina similar to the ones that occurred not long ago in the Mexican state of Chiapas.

Moreover, Di Tella disclosed that the luncheon he had with Rex Hunt, former governor of the Malvinas Islands just before the 1982 war, was "a cordial gesture toward hard-liners in our negotiations."

"I believe this gesture may be made extensively to all the rest and that is the idea they got. Our policy on the Malvinas is wise—it is cordial with regard to some questions, especially our dealings with Malvinas' islanders, and inflexible as far as the issue of sovereignty is concerned," he underscored.

He acknowledged nonetheless that the Argentine Government cannot disregard "the phenomenal influence" that a little group of Malvinas Islands' inhabitants has over the UK Parliament.

Government Criticizes Anti-Chilean Demonstration

PY2901184594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2316 GMT 28 Jan 94

[Text] Buenos Aires, 28 Jan (NA)—The Argentine Government "strongly" criticized the outrages that took place at a rally of Edesur [Southern Greater Buenos Aires Electricity Company] workers during which "the Chilean national flag was given improper treatment."

The Argentine Foreign Ministry released a communique "lamenting and strongly criticizing this attitude which does not reflect at all the Argentine people and government's deep feelings of friendship and cooperation."

During the rally Edesur employees hung signs bearing all kinds of insults against "the Chileans" in front of the company building. They also burned flags, an effigy of Edesur Chairman Torralba Ugarte, and a coffin that contained a Chilean flag and a list of the company's Chilean executives.

The demonstrators were protesting the dismissal of three company workers on charges of sabotage. They also asked for better security measures and job stability, and that there should be no more intimidation to get workers to sign up for voluntary retirement.

ROK, Argentina Agree To Sign Extradition Treaty

SK2901021194 Seoul YONHAP in English 0112 GMT 29 Jan 94

[Text] Buenos Aires, 28 Jan (YONHAP)—South Korean Vice Chairman of the National Assembly Ho Kyong-man met Argentine Justice Minister Jorge Maiorano Friday and agreed that the two countries sign an extradition treaty within this year at the earliest.

The two agreed that Seoul and Buenos Aires exchange a memorandum of understanding on the matter and expand exchanges of law-enforcement officials to strengthen bilateral judicial cooperation.

"Judicial cooperation is very much in need considering more than 35,000 Koreans are living in Argentina and bilateral exchanges are growing," Ho pointed out.

On this understanding, the two countries decided to sign an extradition treaty as soon as possible after consultation with the Korean Justice Ministry, he said.

On Saturday, Ho finishes his agenda in Argentina and leads the four-man National Assembly delegation to Chile, where he is scheduled to meet President-designate Eduardo Frei and discuss problems of mutual concern.

MERCOSUR Industrialists Meet To Evaluate Situation

PY2801193094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1112 GMT 28 Jan 94

[Text] Buenos Aires, 28 Jan (NA)—The Mercosur [Common Market of the South] Industrial Council has demanded "long-term financing" for the capitalization and retooling of industries. It also requested lines of credit "at preferential and promotional rates" for the Pymes [small- and medium-sized enterprises organization].

The industrialists indicated that these "medium- and long-term credit lines" are indispensable to guarantee the competitiveness of all sectors against third countries.

During their meeting on 27 January at the Argentine Industrial Union (UIA) headquarters, the Mercosur Industrial Council—which comprises the industrial organizations of the four Mercosur countries—agreed to promote the preservation of the environment.

The industrialists also evaluated the need for the government to ratify the sectorial agreements achieved so far and committed themselves to achieving a total consensus on this matter during the meeting to be held on 4 March in Montevideo, Uruguay.

The businessmen lauded the task of the Mercosur Industrial Council, indicating that it is indispensable as a way to submit private policies to governments. "It legitimizes us as valid interlocutors," they stated, and asked the states to follow the example of the industrial sector.

"No retooling is possible without an effort from the public sector," the industrialists stressed.

They emphasized the need to grant loans to the Pymes, "which do not have access to long-term lines of credit."

The second consensus pertains to the need to preserve the environment and agreement was reached on the need to "promote industrial production without endangering the environment, based on the principles of an economically sustained development."

The last agreement foresees the creation of a work group to evaluate the Mercosur's negotiation guidelines with the other members of the ALADI [Latin American Integration Association].

Within this framework, and regarding trade negotiations, the industrialists urged their governments to remain faithful to the objectives of the Treaty of Asuncion.

During this second meeting of the Mercosur Industrial Council, the benefits and scope of Mercosur Resolution

No. 13/93—which deals with the consolidation of Customs Union and transit within Mercosur—were discussed.

This measure "affirms the purpose of formalizing the Customs Union on 1 January 1995 as an essential step toward the organization of Mercosur."

The measure was lauded by the industrialists, especially by UIA members who understood that the governments have acknowledged that the deadlines established at the beginning for integration were not appropriate.

According to UIA spokespersons, the Customs Union "leaves the door open" to postpone the guarantee clauses that are in force until the end of the year and which establish a quota for exchange between member countries. When this quota is surpassed by a member country it pays tariffs as though it were a third country.

The possibility of harmonizing industrial promotion programs and the search for parity in industrial costs were also discussed during the extensive meeting, in which industrialists Dagoberto Lima Godoy (Brazil), Hugo Barral (Paraguay), Maxi Munoz (Uruguay), and Luis Jose Vasallo (Argentina), among others, participated.

Corrientes Will Not Sign Fiscal Pact Unless Debt Rescheduled

PY2801202294 Buenos Aires BUENOS AIRES HERALD in English 28 Jan 94 p 6

[Text] (DYN)—The province of Corrientes will only ratify the fiscal pact if the government reschedules its 600 million dollar debt, Governor Raul Romero Feris said yesterday.

The governor added that the issue will be decided, one way or the other, when a reply is received from the government on Wednesday.

Yesterday afternoon Romero Feris held a meeting in Government House with Presidential Chief of Staff Eduardo Bauza and Economy Secretary Ricardo Gutierrez, who have scheduled a new meeting to take place when Economy Minister Domingo Cavallo returns from the economic summit in Switzerland.

The governor pointed out that signing the fiscal pact, with the consequent abolishment of the gross income tax, means a loss of some four million pesos a month to the province until alternative revenue-generating measures can be implemented.

The former federal trustee in Corrientes Ideler Tonelli had signed the fiscal pact last year but the measures has to be approved by the provincial officials who took office on 10 December.

Although Romero Feris said that the government was showing a "favourable attitude" he warned that if solutions aren't found soon social issues in Corrientes could become troublesome.

Bolivia

Arrest of Major Drug Trafficking Gang Announced

PY2801150194 La Paz Television Nacional Network in Spanish 0100 GMT 28 Jan 94

[Report from Santa Cruz de la Sierra]

[Excerpts] Government Minister German Quiroga today held a news conference to inform the public about the arrest of Isaac Chavarria Diez de Medina during a special operation by the Special Antinarcotics Force (FELCN) on 25 and 26 January. Quiroga also reported that 21 other people, allegedly members of one of the largest drug-trafficking rings in the country, also were taken into custody as a result of this drug enforcement operation. The minister noted that this constitutes a mortal blow to a gang that has been operating in Bolivia and other countries since the mid-70's thanks to the support of Colombian drug cartels. The gang led by Chavarria was not only engaged in selling thousands of kilograms of illegal drugs but also the laundering of millions of U.S. dollars.

Moreover, Meco Domingez' cooperation with police since he was arrested by police last December on drug trafficking charges played a decisive role as it enabled police to arrest these 22 people. [passage omitted]

Chavarria's gang turned over 500 kg of drugs every fortnight. It is believed that the drug was processed in sophisticated laboratories located in some forested regions in El Beni Department. [passage omitted]

During this operation—called Endless—the FELCN conducted a mass roundup of alleged drug traffickers and seized 14 properties and a large number of weapons, including rifles, shotguns, machine guns, grenades, and three radio transmitters. The names of the members of Chavarria's gang are: Alcides Isaac Chavarria Diez de Medina, top leader of the gang; Arturo Chavarria Catacora; Julia Saucedo de Chavarria, Alcides Isaac Chavarria's wife; Ilarion (Eigua Cordoba; Cristobal Salazar Cortez; Elmer Gutierrez (Nosti); Walter Velazco Eguez; Andres (Piso) Soto; Manuel Mercado Pammo; Fernando Anez Rojas; Eduardo Salvatierra Saavedra; Juan Saca (Adiran); Desiderio Rojas Cejas; Marta Cortez Salazar; and Isabel (Sanz) Roca, who were taken into custody at San Bonifacio ranch in El Beni Department. Other members, namely Miguel Alberto Losada Anez, Hugo Munoz Leanos, Juan Carlos (Peredo) Paz, Miguel Benquique, (Castulio) Salcedo, Elio Claros Rocha, and Julia Rodriguez were arrested in Santa Cruz de la Sierra. [passage omitted]

Brazil

Further on Approval of Provisional Economic Measures

PY2901192494 Rio de Janeiro O GLOBO in Portuguese 27 Jan 94 p 20

[Text] Brasilia—On 26 January, after a day fraught with negotiations and comings and goings, the administration managed to get congressional approval for Provisional Measure [MP] No. 400, which increased income tax rates for individuals and established the 35 percent bracket for those who make more than $10,000 [time span not specified]. This MP was approved by 190 votes to 111 in the Chamber of Deputies and by 39 votes to five in the Senate.

Now that MP No. 400 has been approved there are still five fiscal adjustment-related MP's pending: MP No. 407 that increases corporate income taxes 5 percent, MP No. 404 that establishes an inspection tax that banks must pay, MP No. 401 that increases the tax on financial operations for investments in the financial market, PM No. 394 that bans the use of Treasury funds at the Central Bank to pay anything but debts, and MP No. 392 on privatizations.

Throughout the day the administration managed to get approval for only three of the nine other MP's Congress had to vote on. The obstructionist attitude of the PPR [Progressive Renewal Party] and the PFL [Liberal Front Party], unwilling to approve tax hikes, was jeopardizing the voting on the main fiscal adjustment measures. The PFL and the PPR broke the agreement they had reached with Finance Minister Henrique Cardoso the week before and asked for quorum verification. Unless there were 252 deputies present (the minimum required) the entire time, the session would be discontinued and it would be very difficult for the administration to get approval for the MP's, which would expire over the weekend.

During the morning and afternoon of 26 January, Congress approved MP No. 402 that establishes an income tax on foreign investments in the stock market and the distribution of dividends, MP No. 399 that changes the Rural Land Tax (ITR), and MP No. 406 that reduces the deadline for the collection of federal taxes and contributions. In view of the inflexibility of the PPR and the PFL, Jose Serra, Brazilian Social Democracy Party speaker in the Chamber of Deputies, went so far as to threaten to withdraw the administration's support for the constitutional reform.

Franco 'Distressed' With Economic Plan's Results

PY2801145794 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Jan 94 Section 1 p 4

[Article by Josias de Souza and Gilberto Dimenstein]

[Text] President Itamar Franco is distressed by the lack of results from the economic policies implemented by Finance Minister Fernando Henrique Cardoso [FHC]. He expressed certain disappointment during private conversations, adding that he expected more from the FHC plan.

FOLHA learned that Franco said he expected an immediate, although gradual, reduction in the inflation rate, adding that he was surprised by the temporary inflation increase. According to Fipe (Economic Research Institute Foundation of the USP [University of Sao Paulo]), the inflation rate could hit 40 percent this month.

Franco usually says that during the last year of his mandate every day is as long as a week. He has begun to doubt his own political strategy's chances for success because of the lack of economic results. He thought he would be able to influence his succession. He even played with the thought of a ticket with Fernando Henrique Cardoso as presidential candidate and former Minister Antonio Britto as his running mate.

Franco told his closest advisers that he fears the plan will not yield the desired effects in April, when FHC would need to leave the government to run for an elected office. The president avoids opening fire against his minister. But some assistants already have began criticizing FHC openly, inclusively during cabinet meetings. The president does not oppose the criticism, giving his assistants the impression that he agrees with some of what is being said.

President Franco also complains about the lack of "partnership" spirit in Congress. He thinks deputies and senators are delaying the approval of the plan's main items.

So far Franco maintains the promise he made to FHC not to comment on the economy. But his patience is reaching the limit. He says he is particularly annoyed with price increases in the pharmaceutical industry, which he finds excessive, and our high interest rates.

Cardoso 'Irritated' by Nonapproval

PY2801154694 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 28 Jan 94

[Text] Finance Minister Fernando Enrique Cardoso is irritated because Congress did not approve some measures in the government's economic plan. He said that now part of it is missing.

The PPR [Progressive Renewal Party]'s blocking of voting on the provisional measure increasing the income tax on large companies and creating a control tax on the financial system somewhat irritated Finance Minister Fernando Enrique Cardoso.

He said he will not accept suggestions in the future to balance the public budget at the expense of low-income groups.

Cardoso Not To Resign

PY2901003294 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 28 Jan 94

[Text] Finance Minister Fernando Henrique Cardoso said today that he will not leave his post following the government defeat in Congress. He added the government will maintain all the agreements signed for the approval of the economic plan.

Minister Cardoso said that the commitment the government needs from Congress is a zero deficit this year. He explained that there are conditions to compensate, via other measures, for the resources that would have been collected with the income tax increase on large companies and the financial operations tax which were not approved by Congress.

[Begin Cardoso recording] From the point of view of numbers, there is no problem in replacing what was denied, but this something else cannot come from the workers or from the middle class; it must come from companies because they benefited from the decision of the minority in the Chamber of Deputies yesterday which opposed the approval of the tax rate increase on companies, which was a small rate. I reaffirm that the struggle against inflation is everyone's struggle for the benefit of the Brazilian people because there are favorable conditions for investment in Brazil—the time is right. But this is everyone's struggle, otherwise inflation will not be defeated. [end recording]

Cardoso also said that the government will continue to fulfill the agreements reached during the negotiations for the approval of the economic plan. He added that in the amendment for the creation of the social emergency fund, the states will also be excluded, like what happened to the municipalities following the retention of the participation fund. Cardoso explained that in exchange for the retention the states accepted a cut in the budget program equivalent to $200 million. The fund will also receive the PIS [Social Integration Program] revenue from the banks.

Minister Seeks To Avoid U.S. Retaliation Over Patents

PY2801233294 Sao Paulo GAZETA MERCANTIL in Portuguese 27 Jan 94 p 3

[Article by Maria Helena Tachinardi]

[Text] Brasilia—A group headed by Ambassador Roberto Abdenur, secretary general of the Brazilian Foreign Ministry, will visit Washington in early February to try to prevent the United States from retaliating against Brazil, which will probably not be able to meet the 28 February deadline to approve a bill on industrial property rights (trademarks and patents).

The fatal deadline imposed by the United States is already the extension of an investigation into Brazilian industrial property law. Last November the U.S. Government decided to bring forward by three months its decision on whether to adopt restrictive measures on Brazilian exports.

This subject was discussed yesterday by Foreign Minister Celso Amorim and 20 businessmen from the U.S. Chamber of Commerce. The minister does not think there will be difficulties in the talks with the United States, because the Brazilian draft bill being discussed in Congress "will be very similar to the intellectual property agreement" of the Uruguay Round of GATT talks which concluded last 15 December.

"An action that does not take into consideration what was attained bilaterally and multilaterally would be technically precipitate and politically inopportune. If Brazil had wanted to, it would have hindered the GATT intellectual property agreement," Amorim said.

The main point of controversy in the Brazilian draft bill is the requirement that pharmaceutical products must be manufactured in Brazil in order to obtain a license. The text of the GATT agreement on the subject is ambiguous, and has not yet been clarified within the Paris Convention which deals with intellectual property rights. "The text of the agreement deals with the subject indirectly. Political vision is necessary to deal with this ambiguity, which will in time be resolved," Celso Amorim said.

The foreign minister also spoke with the U.S. Chamber of Commerce businessmen about the Common Market of the South, the Uruguay Round of the GATT talks, and trade problems between Brazil and the United States, such as problems in the iron and steel industry and in the shoe and tobacco sectors.

Editorial on Importance of Nuclear, Patents Bills

PY2801201894 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jan 94 p A3

[Editorial from the "Notes and Information" page: "Difficulties Ahead"]

[Text] The Foreign Ministry has an almost impossible task ahead: to defend Brazilian interests without the cooperation of the Senate, which has been making decisions affecting foreign policy. In an interdependent world—regardless of whether we agree with it—many domestic policy decisions end up becoming part of a conflict with other nations, which are sometimes more powerful than Brazil and can impose conditions during a negotiating process.

The Senate is currently debating two items that have a strong effect on our relations with the United States: 1. The approval of agreements between Brazil and Argentina and the quadripartite agreement between Brazil, Argentina, the nuclear agency created by both governments, and the International Atomic Energy Agency—all related to the international supervision of the Brazilian nuclear program—and 2., the approval of the law on patents. The delay in approving the agreements has produced all kinds of negative effects. Now only a very swift and expeditious Foreign Ministry action will be able to make the members of the select nuclear club believe that Brazil does not have a second purpose in developing its nuclear program. The damage produced by the delay in approving those agreements affects the image of Brazilian diplomacy, and wears out our relations with the nuclear club, but it does not produce immediate damage to the country's economic interests. The delay in voting on the intellectual property law has doubly negative effects, as it affects the image of the country's diplomacy and hurts it economically.

The Senate seems incapable of realizing that the U.S. Government—following U.S. domestic laws and subject, without the shadow of a doubt, to reasonable pressures—has designated the month of February for verifying whether or not the legislation on intellectual property rights in Brazil contemplates certain requirements. If the answer is negative, that country will apply sanctions on Brazilian exports. The problem for the Brazilian Foreign Ministry—which at the beginning of the month will send the Foreign Ministry secretary general to Washington to attempt, once more, to postpone a judgment on the question—is that the U.S. position is sometimes so oblivious to reality that it is comparable to that of some Brazilian industrial groups.

These national groups are blind to the fact that the economy today has a global scope, and that all states do not have equal power. On the contrary, the new scope accentuates the differences between states. The Americans, on their part, appear to be virtually blindfolded in that they fail to realize that the Brazilian Government also suffers pressures, and must also take the national interests it represents into account.

What is important to bear in mind, for as long as the Americans do not make a decision, is that the Senate must act if it wants to influence foreign policies. You cannot support old rhetoric and simply refuse to vote on items that are important for our foreign affairs agenda. You cannot implement policies, much less foreign policies, by omission—particularly when on the other side of the table is a party that wants action, and can demand it by applying sanctions.

Franco Asks for Chamber, Senate Support for Social Emergency Fund

PY2901013294 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 28 Jan 94

[Text] President Itamar Franco asked today for support from the presidents of the Chamber of Deputies and Senate for the approval of the Social Emergency Fund.

President Franco met today for almost three hours with Finance Minister Fernando Henrique Cardoso and the presidents of the Chamber of Deputies and Senate to discuss alternatives that would guarantee the implementation of the government economic plan. Franco delivered a letter to Deputy Inocencio Oliveira and Senator Humberto Lucena calling for the urgent approval of the constitutional amendment proposal that creates the Social Emergency Fund to balance the budget and to maintain a zero deficit. With the rejection of the provisional measures increasing the income tax rates on large companies and creating a control tax on banks, the public treasury will end up with a deficit of $410 million. The provisional measures were not voted on in Congress for lack of a quorum, and cannot be presented again because of the annuity principle [principle by which a tax cannot be implemented in the same year it is approved by Congress].

Franco says in the letter that he was not only surprised, but also concerned over congressional approval of a tax increase for workers but not for large companies. Franco called for the urgent approval of the complementary draft law that increases social contributions from the profits of financial institutions, and that a constitutional amendment be included in the Social Emergency Fund allowing the banks to collect the Social Integration Program, PIS.

Franco also called for the approval of the 1994 budget with the changes proposed by the government. Franco reaffirmed his belief that there still is time to reverse positions, and called on the presidents of the Chamber of Deputies and Senate to double their efforts, along with the party.

Aeronautics Minister Confirms Piranha Missile Project

PY2901010794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jan 94 p B10

[Article by Julio Ottonboni]

[Text] Sao Jose dos Campos—Aeronautics Minister Lelio Vianna Lobo yesterday confirmed the reactivation of the Piranha (MAA-1) Missile-Air-1 project, as anticipated by O ESTADO DE SAO PAULO. The Piranhas will be fitted onto patrol fighter planes by mid-1996 after being built by the Mectron Engenharia and receiving approval from the Navy institutes. This is a priority project for the Aeronautics Ministry, which wishes to replace the 150 U.S. missiles purchased 20 years ago that still equip Brazilian combat planes. Brigadier Nelson Taveira, director of the Aerospace Technical Center (CTA), said that there is the possibility of exporting these missiles. The initial production capability will be 10 missiles per month. With a fund of $8.8 million, the Piranha is being developed by engineers from the Aeronautical Technology Institute (ITA). Mectron will review the electronic parts and the missile guide control. As this is a teleguided weapon, parts of its plans will be modernized with the help of the CTA experts.

* Parties Search for Viable Opponent to PT's Lula

94SM0197A Sao Paulo VEJA in Portuguese 12 Jan 94 pp 18-20

[Unattributed article: "The Zombies Try to Get Moving"]

[Text] For all candidates not named Luis Inacio Lula da Silva, this presidential election year has started out like a parade of zombies. The Paubrasil case drove a stake into Paulo Maluf's heart. Leonel Brizola is one of the country's least popular governors—in the opinion of his own constituency in Rio de Janeiro, whose governorship he assumed for the second time in 1990. Finance Minister Fernando Henrique Cardoso has to deal with inflation before he can think about sitting in Itamar Franco's chair. In the PMDB [Brazilian Democratic Movement Party], the parade features multiple personalities and it looks as though the show will go on forever.

A fugitive from the political arena for nine months, former Sao Paulo Governor Orestes Quercia is now being seen fairly frequently during the daylight hours. Wednesday he met with top PMDB leaders to explain the remarkable evolution of his personal wealth during 30 years of his political career. Having wasted away to a 6 percent rating in the polls, on his tour of the federal capital city Quercia did everything possible to give the impression that he can be taken seriously as a candidate for Itamar's job.

After leaving the PMDB meeting, Quercia had lunch at the home of former President Jose Sarney, who had spent the previous week announcing his resignation from the PMDB on the grounds that "ethical impediments" kept him from remaining a member. The ethics of the PMDB have not changed at all since then, but Sarney stayed in the party, having reached an awkward accommodation. "We will make a civic-minded march through this country," the former president announced. The duet with Quercia was staged to make the public outside think that everything is hunky-dory in the party that once was in the trenches of the democratic resistance. Pure theatrics. Were it taken seriously, Orestes Quercia's explanation of his accumulated wealth, estimated at $52 million, would not have turned out as it did.

Quercia spent 50 minutes reading a written statement he had brought with him. Backed by a partial study done by Trevisan Auditors and Consultants, a Sao Paulo company that rendered various kinds of services to the Sao Paulo state government during Quercia's term in Bandeirantes Palace, Quercia assessed his personal fortune at $12 million. He received perfunctory applause and left without convincing anyone—not even his allies. "Quercia's explanation was competent," said PMDB President Luiz Henrique, without explaining whether the former governor had been competent in concealing or revealing. The next day, in conversations with advisors, Sao Paulo Governor Luiz Antonio Fleury Filho spoke frankly of Quercia's performance. "He did not change his situation much," the governor said.

Gliding the Heights

Presidential candidate Luis Inacio Lula da Silva of the PT keeps his popularity ratings in the 30 percent range—a situation that has repeated itself, with minor fluctuations, for six months now.*

Candidate	Percentage
Lula	32
Maluf	13
Sarney	12
Antonio Britto	12
Fernando Henrique	10
Brizola	9
Antonio C. Magalhaes	7
Quercia	6

*These figures, from a survey by DataFolha on 14 and 15 December 1993, show the highest rating obtained by the presidential hopefuls in several different simulations. No survey included all eight names simultaneously.

The Debutante and the Beggar

Ibsen Pinheiro has lost 14 kg since the CP [Congressional Investigating Committee] began investigating him. Last week, Deputy Geddel Vieira broke down and cried during his testimony. Imperturbable, Quercia actually scored a point. Although weaker than he would have liked, he showed that he has the PMDB under his thumb. The party is not in the mood to investigate him, and has no figure capable of challenging him. The man who has shrunk in stature is former President Sarney. He has gone from exhibiting all the charm of the most beautiful debutante at the ball to the status of a famished beggar at the bus station. Sarney knocked on the door of three different parties (the PTB, PP, and PFL) [the Brazilian Labor Party, the Progressive Party, and the Liberal Front Party], got support from none of them, and decided to stay where he was. He was saved by the bell when Quercia commissioned a note from the [PMDB] governors appealing to the former president to remain in the party. Six of the seven signed the document—the only one who refused was Roberto Requiao, of Parana.

"If there were any problems in the PMDB, they were solved by the solidarity I received," said Sarney. In return, he opened the doors of his residence to the former Sao Paulo governor and his allies. At the lunch, they ate well and devoured the host's credibility as well. With a 12 percent rating in the polls, Sarney has so far looked better as senator from Amapa than as president of Brazil. Having avoided involvement in minor political issues, he had maintained the demeanor of one who is more concerned about the dignity of the position he held than with fleeting ambition. After looking both ways, and with an eye to the opinion polls, he felt he was in a position to run for president as the PMDB's candidate against the PT [Workers Party]. By consummating his "marriage" to Quercia days after announcing the break with the party, he reincarnates the personality of

Sarney-as-president, undecided between the PMDB and the PFL but very determined to win a five-year term at any cost.

Mutual Admiration Society

The PMDB name ranking highest in the polls is that of former Social Security Minister Antonio Britto. He has garnered 12 percent of expressed voter intentions and the lowest rejection rate of any presidential candidate. Because of an opportunity to run for governor of Rio Grande do Sul, Britto spent the week cloistered at a southern beach and allowed rumors to circulate that he had reached an accord with Minister Fernando Henrique Cardoso, of the PSDB [Brazilian Social Democracy Party], who has a 10 percent rating. Britto and Fernando Henrique are old allies. While serving in the administration, they worked together to force out then-Minister of Health Jamil Haddad. By shutting off the funding faucets at Haddad's hospitals, FHC was always able to keep Britto's coffers full, thus helping him to win the reputation—deserved for other reasons—of being a good administrator.

Late last year, they talked again about supporting each other in 1994. "If you decide to run, you may win the support of the PMDB in the very first round," Britto suggested. "If the PSDB turns out to be in a better position, the vice presidential candidate could be someone from the PMDB, a man with your qualifications," was FHC's reply. The duo's strategy was thwarted by Britto's departure from the cabinet, at Itamar's request. But it did not stop the mutual stroking. "There is no way I can campaign if I have to sit on the same platform with Quercia in Sao Paulo, Newton Cardoso in Minas, and Nilo Coelho in Bahia. In that case, I would prefer to run for governor of Rio Grande do Sul," Britto told a party colleague. But both Britto and Fernando Henrique are mired in the group of potential candidates who have not been able to jump out ahead of the multitude of those whose approval ratings are below 12 percent—they are down there with Maluf, Brizola, Sarney, and Quercia. The elites are still reeling from the electrifying year of 1993 when Fernando Collor went into exile at Casa da Dinda, Maluf was run aground by the Paubrasil case, Quercia got submerged under the weight of his fortune, and no one could come up with a candidate who has a good chance of running for Planalto Palace against the "bearded frog" of the PT.

Sunday 9 January was the deadline for candidates who will run for office in October to change their party affiliation. On the eve of the deadline, there was heavy traffic in the corridors leading to and from the parties. The PSDB reeled in Minister of Labor Walter Barelli, a former sympathizer of the PT. Senator Albano Franco also went over to the PSDB, and scheduled a reunion between the party and his business interests. In the *tucanos'* nest, Albano is perched alongside Tasso Jereissati, president of the PSDB and his new partner in the competition to supply cellular phone service in the Northeast. The PTB, whose candidate for Planalto Palace will be banker and Senator Jose Eduardo Andrade Vieira, also picked up members. Minas Governor Helio Garcia disembarked in the party along with seven secretaries, nine state deputies, and four federal deputies. He arrived with the blessing of President Itamar. Garcia promised to accompany Itamar in the presidential campaign and, in return, will have the Planalto's support in selecting his successor in Minas Gerais. The alliance was formalized last Thursday when Jose de Castro, president of Telerj [Rio de Janeiro Telecommunications] and a friend of Itamar, joined the PTB.

Phantom Candidate

Sao Paulo Mayor Paulo Maluf makes his appearance in the battle of the zombies, but has received negative vibes even within his PPR [Progressive Renewal Party]. In a recent Ibope [Brazilian Public Opinion and Statistics Institute] poll, members were surveyed to find out who would be the best candidate. Maluf ranked first, with 34 percent of the preferences. But Senator Jarbas Passarinho, from Para, won 29 percent of the preferences from PPR members. Passarinho is sitting pretty since he took over the chairmanship of the Budget CPI, where he has done a fine job. Another potential candidate who has done nothing but lose ground is Rio de Janeiro Governor Leonel Brizola; at 9 percent in the polls, he is a phantom candidate. A survey by DataFolha found 54 percent of Rio de Janeiro State voters describing his administration as ranging between poor and awful—not exactly the kind of resume that would withstand a campaign.

With so many phantoms around him, the PT candidate is in a relatively comfortable position. He is now entitled to discuss his plans for governing. Sometimes, this hinders more than it helps. Last week, one of the coordinators of the PT's platform for the presidency, editor Cesar de Queiroz Benjamin, a former colleague of Captain Carlos Lamarca in the MR-8 [8 October Revolutionary Movement] terrorist organization, made a gesture toward the military. In an interview published by FOLHA DE SAO PAULO, Benjamin insisted that the PT plans to quadruple the Armed Forces budget, raising it from 0.5 to 2 percent of GDP. He also said he was in favor of the development of nuclear technology, coded language that, in military circles, means supporting the development of an atomic bomb. To top it off, Benjamin stated that the PT is in favor of a moratorium on paying the foreign debt, discussing repayment of the domestic debt, and suspending the privatization program. A week earlier, Lula had given an interview to the NEW YORK TIMES, the most influential U.S. newspaper.

Lula came to the end of 1993 after visiting 300 cities in the course of three caravan tours that covered more than 10,000 km of Brazil's highways, and having held 56 meetings with groups of businessmen, bankers, and industrialists. Between now and April 1994 he will make four more caravan tours and will try to find a vice presidential candidate that can broaden the appeal of his slate—his hope, less enthusiastically shared by the other party—is *tucano* Tasso Jereissatti. Predicting the results of the balloting nine months ahead of time would be an exercise in astrology. All we can say is that so far, all we have is Lula—and a string of contenders desperately trying to emerge as the candidate able to challenge him.

Foreign Minister Announces Establishment of Free Trade Zone

PY2801170694 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 28 Jan 94

[Text] Brazil will support the establishment of a free trade zone encompassing the Mercosur [Common Market of the South] countries—Argentina, Paraguay, Uruguay, Brazil—and Bolivia. This was announced by Brazilian Foreign Minister Celso Amorim, who added that the free trade zone should be established in 1994.

The establishment of the free trade zone between Bolivia and Mercosur countries was decided during the presidential summit held earlier this month in the city of Colonia, Uruguay.

Two Commissions Created To Promote Ties With Argentina

PY2901023694 Sao Paulo GAZETA MERCANTIL in Portuguese 28 Jan 94 p 5

[Article by Maria Helena Tachinardi]

[Text] Brasilia—Brazil and Argentina will create two new commissions: one for economic and commercial affairs and one for integration and cooperation affairs. In addition, they will study other ways to promote contacts between lawmakers, academicians, and entrepreneurs.

Diplomatic teams from Brazil and Argentina ended a meeting on Tuesday in Rio de Janeiro. The main issues addressed at the meeting were the political, economic, and commercial relations between the two countries; Mercosur [Common Market of the South] affairs; the coming into force of NAFTA; Argentina's intention to create a peace operations center; and the Brazilian desire to study a similar initiative for the purpose of promoting the approach between the military of the two countries.

The Brazilian team was headed by Foreign Ministry Secretary General Roberto Abdenur, whose interlocutor was Argentine Vice Foreign Minister Fernando Petrella. The meetings were also attended by officials in charge of the economic and political planning areas of the two foreign ministries.

According to Abdenur, the idea is to create a true system of consultation so that integration reaches not only the governments but also other social sectors. In order to show the degree of proximity between the two governments, Abdenur said that presidents Itamar Franco and Carlos Menem have already met seven times.

Warren Christopher

Argentine and Brazilian diplomats also agreed on the significance of the conference of nations of the hemisphere that the U.S. Government has proposed for this year. Concerning the postponement of U.S. Secretary of State Warren Christopher's visit to Brazil, Chile, Argentina, Colombia, and Venezuela, Abdenur said that no specific date had been established for the tour, and that it should be made in the near future.

Miltary Officers Depart for Mozambique To Join Un Peacekeeping Force

PY2901170094 Madrid EFE in Spanish 1904 GMT 28 Jan 94

[Text] Brasilia, 28 Jan (EFE)—Official sources have reported that 19 Brazilian Armed Forces officers left on 28 January for Mozambique to join the UN peacekeeping mission under way in that country.

These Brazilian Army and Air Force officers will replace colleagues who have already served one year of peacekeeping duty and are about to return to Brazil.

Some 146 Brazilian military and police officers are carrying out nonmilitary duties—observation, medical support and management—in five of the 14 UN peacekeeping operations. Brazilians are working in Angola, El Salvador, Mozambique, the former Yugoslavia and on the Rwanda-Uganda border.

The Brazilian Government has asked Congress for permission to increase its contribution to the peacekeeping force in Mozambique by sending 25 police officers and 100 Army privates.

Chile

President-Elect Appoints 23 Under Secretaries

PY2901161494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 23 Jan 94

[Text] President-elect Eduardo Frei today appointed 23 of the 29 under secretaries of the administration that will take over on 11 March. He explained that he will appoint the remaining six in the near future: the education under secretary and the five under secretaries of the Defense Ministry.

Last night, after attending a mass that marked the 12th anniversary of his father Eduardo Frei Montalva's death, President-elect Eduardo Frei announced that he would release the list of under secretaries the next day. This decision—which caught everyone by surprise because the president-elect himself had indicated earlier that the appointments would be postponed—had journalists waiting for the announcement at Frei's offices on Hindenburg Street since early morning on 22 January. Just as he had done with the cabinet, the president-elect did not appoint all the under secretaries at once, leaving six appointments for later.

[Begin Frei recording] Since I believe in teamwork I also believe that the respective ministers and under secretaries should be properly attuned to each other and trust each other because they will be working together day in, day out. Thus, I will appoint the education under secretary later and the same goes for the under secretaries of the Defense Ministry. [end recording]

Herewith the list of officials who will hold the rank of under secretary under the new administration:

Belisario Velasco	Interior
Jorge Rodriguez	Regional development
Jose Miguel Insulza	Foreign relations
Carlos Mladinic	Economy
Patricio Bernal	Fishing
Manuel Marfan	Finance
Eduardo Jara	Justice
German Quintana	Public works
Alejandro Gutierrez	Agriculture
Sergio Vergara	National resources
Guillermo Perez	Labor
Patricio Tombolini	Social welfare
Fernando Munoz	Health
Sergio Hernandez	Mining
Sergio Galilea	Housing
(Claudio Homan)	Transport
Jorge Rosembluth	Telecommunications
Edgardo Riveros	Under secretary general of government
Angel Flisfisch	Planning and coordination
Pedro Goic	
Eduardo Bitran	Production Development Corporation general manager
Maria Isabel Gonzalez	National Energy Commission chairwoman
Paulina Veloso	National Woman's Secretariat

The president-elect stated that there has been no pressure whatsoever behind these appointments.

[Begin Frei recording] I would like to say once again that I have not been pressured to make any of these appointments. Undoubtedly, the various political parties have conveyed their suggestions and I have talked to the ministers, but everybody left me free to make the appointments. As I have explained, the delay—which I believe to be perfectly normal given the fact that I was operated on just a week ago—in making these appointments gave me the chance to talk to all of them and make sure that they will do their jobs independently. [end recording]

Camilo Escalona Elected Socialist Party President

PY2801205494 Santiago EL MERCURIO in Spanish 16 Jan 94 p C2

[Excerpt] Deputy Camilo Escalona yesterday was installed as president of the Socialist Party [PS] until November 1995, after the Central Committee plenum ratified the consensus formula proposed for reorganizing the party leadership.

The new executive board gathers representatives from the three existing factions within the PS: the "New Left," headed by Escalona, considered the most orthodox faction; the renewed faction [renovados]; and the third position faction [terceristas].

The new PS leadership headed by Escalona has appointed three more vice presidents in addition to Isabel Allende—first vice president and president until yesterday—and Vivienne Bachelet, fifth vice president. Gonzalo Martner will be secretary general and Anibal Palma will be general under secretary.

The new executive board members are Jaime Perez de Arce (from the third position faction) as second vice president; Marcelo Schilling (from the renewed faction); and Ricardo Solari as fourth vice president.

The PS plenum unanimously approved the restructuring of the leadership by 79 votes in favor and four abstentions. Manuel Almeyda did not want to vote, and argued that the grassroots should have participated in the process.

This decision was made following two days of meetings and debates that took place in the "El Canelo de Nos" center. [passage omitted]

PS Urges Aylwin To Restore Diplomatic Ties With Cuba

PY2801195094 Santiago EL MERCURIO in Spanish 18 Jan 94 p C4

[Text] The new Socialist Party [PS] leadership met yesterday with President Patricio Aylwin. They greeted him and reasserted their support for the way in which he has conducted the democratic transition process.

The PS leadership reiterated its proposal for the adoption of measures leading to the prompt resumption of full diplomatic ties with Cuba.

Aylwin and the PS leadership share an optimistic view of the future of Chile in view of the strength of the CPPD [Coalition of Parties for Democracy] and the projected positive social and economic development indicators.

The PS leadership is headed by Camilo Escalona, who assumed his duties on 15 January. A one-hour meeting was held with Aylwin yesterday afternoon at Government House.

Also present at the meeting were PS Vice Presidents Isabel Allende, Jaime Perez de Arce, and Marcelo Schilling. PS Under Secretaries Anibal Palma and Hernan del Canto also attended.

Prior to this meeting, Aylwin held separate meetings with newly appointed PS Vice President Ricardo Solari and Secretary General Gonzalo Martner, who will assume their party posts in March. They are currently working as presidential under secretary and regional development under secretary, respectively.

Speaking about the issues discussed with Aylwin, Camilo Escalona said they held a very cordial meeting during which they exchanged points of view about the administration's experience over the past four years. The PS reasserted its support for the progress achieved toward the consolidation of democracy.

Escalona stated that the PS agreed to extend its recognition to Aylwin for his relevant role during a friendship meeting to be held after 11 March 1994.

The new PS leader added that they discussed with the president the future of the nation, concern over the recession in Europe, and its possible impact on Chile.

He said: "We are all reasonably optimistic about the future of Chilean politics, particularly because of the CPPD, which is an alliance that continues to govern the country in the same way it has for the past four years."

The PS also discussed the party's interest in promoting specific steps toward the prompt restoration of diplomatic ties with the Cuban regime.

Camilo Escalona said: "The president is now studying the issue."

On several occasions the PS has stressed the need to reestablish full diplomatic ties with Cuba, which were severed by Fidel Castro's regime in September 1973 following the rupture of institutional order in Chile.

The Aylwin administration has reestablished ties with Cuba at the commercial and consular levels but the PS leadership insists on the need for full diplomatic ties with Cuba for humanitarian reasons and the pragmatic nature of Chilean foreign policy.

Government Not To Promote Amnesty for Chilean Exiles

PY2801222094 Santiago EL MERCURIO in Spanish 16 Jan 94 pp A1, A15

[Excerpts] Interior Minister Enrique Krauss has rejected the possibility of promoting amnesty for the Chileans under the protection of the UN High Commissioner for Refugees, UNHCR, who have not returned to the country because they have judicial proceedings pending with the military justice.

Krauss said that the government is more than willing to contribute to their return to Chilean society, but noted that no one can avoid the court proceedings.

Krauss also valued the recent presence in Santiago of the UNHCR regional chief for South America, and pointed out that the UN official confirmed the ending of the Chileans' status as political refugees because of the democratic normalization taking place in our country.

Krauss also stated categorically that since March 1990 there have been no political prisoners in Chile, but rather terrorist criminals who practice violence to achieve political goals.

He pointed out that the expression "political prisoner" is inadequate and misleading from the point of view of the political situation in the country. In this regard he accused the front organizations and the relatives of the prisoners for spreading rumors about the alleged existence of this kind of prisoner.

Krauss made these comments yesterday during a conversation with reporters in La Moneda Palace.

Krauss was asked about the activities carried out by Mohammed Benamar, UNHCR chief for South America, to facilitate the return of about 180 Chileans, who have charges pending or arrest warrants against them in Chilean courts.

Krauss said that the UN official expressed real recognition for the Chilean situation in that the progress of our political process no longer allows for the existence of people who could claim refugee or asylum status for political reasons. [passage omitted]

Krauss said that the justice and acting interior minister told Benamar that those who decide to return to Chile will have all the guarantees of an appropriate trial to resolve their situation according to the rules of a state of law. [passage omitted]

Government Expectations Over Lima Convention Noted

PY2801230694 Santiago EL MERCURIO in Spanish 19 Jan 94 pp C1, C6

[Excerpt] Foreign Ministry sources yesterday reported that Chile does not consider the Lima Convention lost, and hopes that Peru will abide by the original terms and continue to negotiate. The objective of these negotiations is to conclude a supplemental agreement on some aspects of the convention and a protocol for the peaceful settlement of possible controversies.

The sources said that resigning its aspiration to be granted the use of an esplanade—which joins Sector 7 of the northern dock and the terminal of the railway to Tacna, on the bay of Arica—will be considered a clear gesture that Lima has the political will to resolve the "impasse."

This would be especially significant because the request—which was made at the last moment—is regarded as a maneuver by some Peruvian sectors to cause the failure of the two governments' efforts to resolve the pending issues of the 1929 Treaty.

Under such circumstances, the announcement that President Alberto Fujimori will visit Santiago for the presidential changeover becomes even more significant. The Foreign Ministry has received a very favorable reaction to this announcement.

Foreign Minister Enrique Silva Cimma yesterday met with Peruvian Ambassador Alfonso Rivero, with whom the issue was addressed for more than one hour at the minister's office.

After the meeting, Rivero made no comment and Silva Cimma said only that the dialogue was positive and that he remains optimistic that Congress will approve the Lima Convention.

The minister thus sought to minimize reports on the suspension of the bilateral talks that were being held to clarify some points of the Lima Convention. The talks were stalemated because Peru requested, at the last moment, exchanging the compensation that Chile promised to pay for the land used in "El Chinchorro" without the owner's permission, for the use of the esplanade.

Ministry sources said that rather than a legal-diplomatic problem between Chile and Peru, a domestic Peruvian political problem was the result.

Some people maintain that the situation entails a problem of nationalism because Fujimori, Democratic Constituent Congress (CCD) President Jaime Yoshiyama, and Victor Joy Way, the CCD Foreign Affairs Committee chairman, are all third-generation Peruvians—the first two are of Japanese and the third of Chinese descent. Consequently, strong nationalist sectors believe the fact that they are willing to approve agreements with Chile shows ignorance of Peruvian historical roots.

Some sources have said that another noteworthy fact is that President Fujimori is not at his political best at the moment. His meager victory at the constitutional referendum did not help him to insist on the approval of the Lima convention by the CCD. This year he will confront elections within Congress and he will have to decide whether to run for reelection in 1995.

Observers believe that Peruvian Government opposition forces are using the issue of the resolution of historical disagreements with Chile as an easy weapon against Fujimori. Because this criticism does not touch in-depth matters, it can be concluded that the opposition is not willing to give Fujimori the opportunity to boast that he managed to end the pending points of the 1929 Treaty.

The Chilean negotiators' refusal to give Peru an unbroken territory in Arica was positively regarded by Carlos Valcarce, RN [National Renewal] deputy for Arica. He said there cannot be any exchange.

For 64 years, Chile and Peru could not agree on how to implement the terms of Article 5 of the 1929 Treaty, involving different interpretations given to the assertion that Chile will build a dock, a customs office, and a terminal on the railroad to Tacna "for the use" of Peru.

On 11 May 1993, the two governments signed the so-called Lima Convention, in which Peru expressed its approval of these facilities that were built in Arica, and the two countries established the legal framework in which they will work.

This agreement, a free transit convention, and four exchange notes concluded the pending issues of the 1929 Treaty.

Under the terms of the Lima Convention, Chile grants Peru—permanently—the use of the northern side of the dock, which is to the north of the bay of Arica, the customs office built there, and the railroad terminal on the line to Tacna.

The convention rules that ownership of the facilities shall be registered with Arica's Real Estate Registry as Chilean state property, yet noting the right to use it permanently.

Peru will authorize a private company to operate the facilities. This will be a corporation based on Peruvian capital.

In an exchange note, Chile promised to make a monetary compensation to Peru in lieu of the "El Chinchorro" areas that were used without the owner's consent. "El Chinchorro" is a 145,500 square meter area owned by Peru and located north of Arica.

These agreements were negotiated on bases proposed by then Peruvian Foreign Minister Augusto Blacker Miller and were endorsed by his successor Oscar de la Puente. Among the proposals was Blacker Miller's novel formula to grant the operation of the facilities to a private enterprise, without touching "El Chinchorro," a highly sensitive issue for Peru, or splitting Arica's territorial continuity, which Chile will not allow.

The Lima Convention should have been rapidly approved by Congress, but the opposition to Fujimori and traditionalist and regionalist Peruvian sectors protested. The strongest voice was that of United Nations Secretary General Javier Perez de Cuellar, who said that the convention can be improved.

Some experts believe the problem emerged because the Chilean Government stated that all agreements can be improved, and by the decision to reach an agreement to "clarify, specify, and supplement" the Lima Convention.

After making clear that the Lima Convention would not be modified, Chile made concessions to Peru seeking to help Fujimori present such a historical understanding.

The Peruvian side—without explanation and disrespecting the basis of the negotiation—asked for the use of the esplanade, which gave rise to the problem of breaking Arica's territorial continuity.

It should be recalled that the efforts made in the mid-1980's to settle the pending issues of the 1929 Treaty did not yield any results precisely because the Act of Lima provided for the use of the esplanade by Peru, a matter that was categorically rejected by Chile. Peru's promise to sell "El Chinchorro" was as strongly rejected in the neighboring country. [passage omitted]

Colombia

Navy Announces U.S. Troops To Leave in March; Denies Airport Being Built

PA2801154494 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 25 Jan 94 p 6

[Text] The Colombian Navy has announced that the U.S. Marines will return to their bases at the beginning of March. The Marines are building a river base in Puerto Lopez, Meta. The Colombian Navy also denied that the U.S. Marines are building an airport in Juanchaco, Valle.

Admiral Hernando Garcia Ramirez, commander of the Colombian Navy, has asserted that the U.S. troops will return to their bases in the United States once they finish building the school and the health center. He also denied charges that the U.S. Marines, stationed in Malaga Bay, are building an airport in Juanchaco.

'People's Observers' Denied Access to U.S. Installations

PA2801195994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 27 Jan 94

[From the "24 Hours" newscast]

[Text] Gustavo Petro, M-19 [19 April Movement-Democratic Alliance] delegate to the Chamber of Representatives, was at the head of a large number of visitors to Juanchaco, where U.S. soldiers, whose presence is controversial, are stationed. Petro and his group not only could not get in but confirmed that the foreigners completely control the area.

Only four of the group of 84 were allowed into the site and observe everything related to the presence of U.S. troops stationed at Malaga Bay. The group, People's Observers, headed by Petro, rapidly walked around the area and confirmed that Colombian authorities do not control the U.S. troops. The Marines control everything.

[Begin Petro recording] The Colombian High Command does not control the U.S. weapons, which are locked in an 80 cubic meter green trailer. We also found that the Colombian military does not control the information dispatched from the site, which presently is being sent via microwave, but which later will be dispatched through a satellite whose ground station is being built. [end recording]

Petro said it is impossible for the People's Observers to operate. Not only was he not permitted to film the installations, but an accompanying photographer was ordered to stay out of the area, although he held a card authorizing entry.

Human Rights Issue Could Be Obstacle to Gaviria's OAS Candidacy

PA2901145594 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 25 Jan 94 p 10

[Text] Just as the government slogan stated during the year of the blackout [el apagon] that "Drop by drop, the water is wasted," President Cesar Gaviria's candidacy for the position of OAS secretary general will run the same fate, at least insofar as the human rights problem vis-a-vis the OAS is concerned.

Gaviria's nomination will reportedly be doomed by the government's noncompliance with the Inter-American Human Rights Commission [CIDH], which has asked the Colombian Government to severely punish human rights violators.

For the lawyers who have denounced 15 human rights cases before the OAS, the black mark the Gaviria administration has in the organization's files will shatter the president's candidacy.

The future of Gaviria's candidacy is being threatened by the case of Fernando Lalinde Lalinde, who was murdered in 1987; the disappearance of 13 students between 1981 and 1982, when the police were searching for the kidnappers of the Alvarez children; and the cases of attorneys Alirio Pedraza, Martin Calderon, Primitivo Silva, Isidro Caballero, Patricia Rivera, and Olga Ester Bernal. In all these cases, the OAS asked the Colombian Government to financially compensate the relatives and punish severely those responsible for these actions.

President Gaviria's government has said, however, the commission's resolutions were recommendations and, therefore, were not mandatory. This attitude annoyed the CIDH, which in the following days decided to file a suit against the Colombian Government before the OAS Inter-American Human Rights Court, which is headquartered in Costa Rica. The suit regarded the cases of rural teachers Isidro Caballero and Maria del Carmen Santana, who disappeared on 4 February 1989 in Cesar Department.

The lawyers who denounced these events before the OAS believe this constitutes a major setback to Gaviria's candidacy, because the government's accuser, the CIDH, has weight and influence throughout the continent.

According to the lawyers, this lawsuit against the government represents an unavoidable obstacle to Gaviria's candidacy, because whenever he would have to make any decision—should he became the new secretary general—nobody would trust a person who did not comply with the organization's resolutions during his administration.

Army Appoints New Tarqui Battalion Commander

PA2801162094 Santa Fe de Bogota EL TIEMPO in Spanish 26 Jan 94 p 6c

[Text] Tunja—The Army has appointed Lieutenant Colonel Gilberto Morales Garcia as the new commander of the Tarqui Battalion at Sogamoso. Morales replaces Lt. Col. Ramiro Guevara Morera, who died when his helicopter crashed in the Sogamoso area two weeks ago. Morales will assume command next Friday.

Government Initiates Environment Ministry

PA3001133094 Hamburg DPA in Spanish 1416 GMT 29 Jan 94

[Text] Santa Fe de Bogota, 29 January (DPA)—Presidential Narino Palace sources reported today the Colombian Government had initiated the new Environment Ministry, which will watch over and protect the country's natural resources from now on.

President Cesar Gaviria has appointed Manuel Rodriguez as this agency's first minister. Rodriguez was director of the government's Institute for the Development of Renewable Natural Resources (Inderena), an organization that will be liquidated shortly.

The Congress of the Republic approved the creation of the Environment Ministry last year. The guidelines, planning, and implementation of this ministry will be financed by a special transfer of resources, Rodriguez stated when he accepted the position.

Colombia is a country rich in natural resources, but those resources have suffered a serious erosion during the past years due to the high levels of contamination and deforestation to allow for the emergence of "concrete jungles."

The government has announced, however, that it will launch a strong environmental protection policy, which the new agency will coordinated.

France Offers To Prolong Special Tariff Program

PA3001014094 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 25 Jan 94 p 18

[Text] French President Francois Mitterrand and Foreign Minister Alain Juppe have offered Colombian Foreign Minister Noemi Sanin de Rubio their full support in getting the European Union (EU) to prolong the special tariff privileges program for Colombian products.

After a meeting scheduled to last 15 minutes, but which lasted an hour, the Colombian diplomat said Colombia will be able to sell almost all its products to the 12 EU countries without paying duties. She added that such conditions would be applicable for a period of four or 10 years, depending on Colombia's request, to begin when the current agreement expires.

Noemi Sanin visited France in December and met with French officials to expound on the country's achievements, the government modernization policy, the strengthening of the judicial system, the efforts to counter drug trafficking, the peace process with the guerrillas, and the defense of human rights.

The possibility of France investing in our products, including bananas, and the repercussions for Colombia—especially the Uraba region—would be a positive step that would further expand Colombia's participation in the foreign market.

Prisons Director Denies Guards on Strike, Orders Probe

PA3001121594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 27 Jan 94

[From the "National" newscast]

[Text] We just confirmed that guards at the Cali and Medellin prisons have joined the strike declared by La Picota Prison guards. In this regard, moments ago we interviewed Colonel Gustavo Socha Salamanca, general director of prisons.

[Begin recording] [Unidentified reporter] Col. Socha, what are the measures that the Penitentiary and Prison Institute is announcing in relation to the strike declared by guards at La Picota, La Modelo, and El Buen Pastor Prisons in Santa Fe de Bogota?

[Socha] I want to clarify that prison guards have not declared any strike. At this time there is nothing of this sort occurring in the country's prisons. I ordered the inspection division to conduct the pertinent investigations. I also requested support from the Attorney General's Office to disclose all reports on developments during and after the search to determine who failed to carry out their duties and who behaved improperly, if there was any improper behavior. In short, we want this situation resolved. [end recording]

* Sintura Discusses Use of Sentence Negotiations

94WD0159Z Santa Fe de Bogota EL TIEMPO in Spanish 3 Jan 94 p 6C

[Article by Camilo Chaparro; first paragraph is EL TIEMPO introduction]

[Text] In 12,000 early sentencing hearings, the prosecutor's office has sentenced nearly 9,000 people. Of those investigated, 60 percent were charged with crimes related to drug trafficking, terrorism, and kidnapping.

The Office of the Prosecutor General has developed legal procedures for the early termination of criminal proceedings and penalty negotiations, and in this way has put an end to crimes going unpunished and delays in nearly 9,000 investigations.

In just 18 months the Office of the Prosecutor General has held approximately 12,000 special early verdict hearings and has sentenced almost 9,000 accused persons.

According to Deputy Prosecutor General Francisco Jose Sintura, the use of penalty negotiations is increasing, and is having a direct impact on unclogging the judicial backlog and preventing crimes from going unpunished.

Sintura told EL TIEMPO that even though most of the negotiations (60 percent of the hearings) were held for persons charged with crimes in the jurisdiction of regional or special prosecutors, the use of early verdict hearings is rising for ordinary crimes.

"Of the 12,000 early verdict hearings the Office of the Prosecutor General has held, most are related to crimes handled by regional judicial officials—drug trafficking, extortion, terrorism, homicide for the purposes of terrorism, and kidnapping—but we are also beginning to see a significant increase in the negotiation of penalties for ordinary crimes like petty theft, personal injuries, embezzlement, etc."

Only 30 percent of the 12,000 settlements of negotiated penalties reached in the last 18 months by regional or special prosecutors and sectional or ordinary prosecutors have been overturned by judges.

Sintura stated that negotiated settlements are rejected basically because of judges being overly legalistic. "For example, there are cases," he said, "in which a judge annuls a settlement reached between the accused and the prosecutor's office because a member of our staff forgot to list the penalty of a fine, which in any event is clearly stipulated in the law."

Sintura admits, though, that on other occasions prosecutors have made mistakes that lead judges to annul the settlements. "In some cases they do not properly support the charges, or they poorly describe the crime or seek inappropriate penalties," he added.

The deputy prosecutor general believes that with last November's reform of the Criminal Procedures Code, negotiated penalties are going to increase considerably, for now they will be easier to use.

"With these new amendments," said Sintura, "this type of settlement will be reached directly between the accused and the prosecutor. After the hearing a document will be sent to the judge so the judge can verify its legality. That will make the negotiations smoother, as the judge's intervention will not be as direct."

According to Sintura, the early verdict procedure has enabled society to convict a number of criminals against whom the state had no evidence.

The Ochoas and Urdinola

Of the 12,000 hearings held by the Office of the Prosecutor General, the deputy prosecutor's office has handled the eight most sensitive cases. Sintura conducted the sentence negotiation procedures with Ivan Urdinola Grajales, Gonzalo Mejia Sanin, Fabio and Jorge Luis Ochoa Vasquez, and some others as well.

"In some of these cases we had no solid evidence, and if not for the criminals' confession, which grants them some benefits, it would not have been possible to win a conviction," said the official.

"This office has conducted eight early verdict hearings. The most difficult to date was Urdinola's case, as we knew that the automatic sentence reductions provided by the law would not let us put him away for many years, and second, because the evidence we had against this man was quite rudimentary," added Sintura.

Sintura says that the sentence of four years and seven months (the actual time) that Urdinola has to serve was "essentially based on his own confession and on some documents U.S. officials provided. If we had taken this case to court without his confession, we could not have gotten a verdict."

He explained that a negotiated penalty also offers the prosecutor's office the advantage of the possibility of conducting other investigations against persons with whom penalties are being or have been negotiated.

"We conduct very specific negotiations with very well-circumscribed charges so that we can pursue other investigations; for example, Jorge Luis and Fabio Ochoa confessed to cocaine trafficking between 1974 and 1990."

"If the prosecutor's office demonstrates that between 1991 and 1993 they distributed more cocaine, we can bring another case against them that has nothing to do with the negotiated penalty," says Sintura.

"In Urdinola's case," he added, "charges and penalties were arranged for drug trafficking, and he was told that a homicide charge against him was not included in this negotiation."

"He obviously always wanted the homicide charge to be included in the negotiation. But the position of the Office of the Prosecutor General was clear: homicide charges were not negotiable unless he made a confession; as he did not confess to the homicide charges and claimed to be innocent, we are now moving forward with that case," said the deputy prosecutor general.

Ecuador

Government's Economic Announcement Causes Street Riots

PA2801180394 Hamburg DPA in Spanish 1738 GMT 28 Jan 94

[Text] Quito, 28 Jan (DPA)—Violent street riots by workers and students broke out today in several Ecuadoran cities following confirmation by official sources last night that this weekend the government will announce an economic-adjustments package.

The incidents reached peak intensity in Quito. Since early in the morning, the areas surrounding public schools and universities turned into the sites of bitter clashes between demonstrators and the police who tried to keep the riots from spreading to the city's downtown area. The situation was also tense in other Ecuadoran cities in spite of the government's announcement that it "will not permit any break of the peace."

The United Workers Front, the Federation of Secondary School Students, and the National Union of Teachers called for "mass protests" against the announced economic adjustment. Reportedly, the adjustment will be limited to severe fuel price increases of up to 70 percent.

The liberal government of President Sixto Duran-Ballen has described the measure as "absolutely inevitable" because of the collapse of the international price of oil, which is the country's main source of income. The price drop is keeping the country from receiving $1 million daily. In November, the government proposed increasing taxes to compensate for the budget deficit but the plan was rejected by Congress, which is controlled by the opposition. The fuel price increase reportedly will include the imposition of a new domestic marketing structure for oil by-products, with the private sector competing with the state enterprise—currently a monopoly—in the framework of prices freely set by the supply and demand mechanism.

All the parties, of both the right and the left, have spoken out against the planned adjustment and are prepared to stop them in Congress. Meanwhile, the United Workers Front announced its decision to call for a "combative and indefinite" general strike.

Students, Police Clash Over Anticipated Increase

PA2901002494 Quito Voz de los Andes in Spanish 2300 GMT 28 Jan 94

[From "The Voz Andes" newscast]

[Text] Quito—At least three policemen were injured and an undisclosed number of students were arrested in the wake of protests staged here today in the face of announced economic adjustment measures. The demonstrators, mostly students from the Central University of Ecuador and some from certain secondary schools, were repelled with tear gas and a water cannon known as Trucutu.

Security measures were tightened at the Government Palace. Nearby roads were blocked with Army armored vehicles. The students are throwing rocks and making obscene gestures at the policemen, and they are shouting slogans against the government and the IMF.

We do not want more increases, and we say no to gasoline price increases were among the slogans shouted as the demonstrators threw rocks and other hard objects at the public forces.

As we reported earlier, the government will announce fuel price increases to cover the large fiscal deficit, which is growing by the day given a drop in revenues due to lower petroleum prices. Petroleum is Ecuador's main revenue source.

The police were forced to close the access roads near the university in downtown Quito as well as other streets in the southern part of Quito. This has created a huge traffic jam. There are long lines at gas stations.

It is not yet known whether there are disturbances in Guayaquil, the second most important city in our country. Radio reports state that more public demonstrations against gasoline price increases are expected next week as secondary school students join the demonstrations.

Government Announces Price Increase

PA2901135294 Mexico City NOTIMEX in Spanish 0429 GMT 29 Jan 94

[Text] Quito, 28 Jan (NOTIMEX)—In an attempt to unravel the fiscal deficit problem sparked by the fall in the international price of crude oil, the Ecuadoran Government tonight announced an increase of up to 70 percent in the price of fuel as of 29 January.

In a message broadcast via a radio and television network, Ecuadoran Finance Minister Cesar Robalino has detailed the decreed increase according to each type of fuel.

The measure will specifically modify gasoline prices, which remained the same since September 1992.

The minister said premium gasoline, the type which most Ecuadoreans use, will increase from $.80 per gallon (3.78 liters) to $1.35, while unleaded gasoline will increase by 50 percent. Concurrently, regular gasoline and aviation gasoline will increase by 40 percent.

Robalino said the measure was necessary, because the reduction in the price of hydrocarbons on the international market has caused a financial imbalance of $700 million for Ecuador in terms of crude exports.

This situation was complicated even further as a result of Congress' refusal to approve an 18-percent increase in the value-added tax (VAT), the minister added.

The fuel price system is geared toward deregulating the domestic market for crude oil byproducts and to ensure an adequate increase in tax revenues.

The government has also included several decrees establishing public spending controls and measures aimed at cutting tax evasion and modernizing customs systems.

Robalino added that "the fall in fiscal revenues for 1994 is very important. It is no government fabrication and requires the implementation of corrective measures."

The minister said the government does not intend to increase the price of other crude oil byproducts such as diesel and household gas, and he reiterated that urban transportation fares will remain the same as a result of a government subsidy.

Nevertheless, union sources have announced they will coordinate general actions to protest the government's economic measures, which they believe will only result in the speculation of basic commodities.

Violent Protests Continue

PA2901213894 Hamburg DPA in Spanish 1940 GMT 29 Jan 94

[Text] Quito, 29 Jan (DPA)—New fuel prices, increased by up to 71.23 percent, went into effect today in Ecuador, while violent street protests staged by students and workers against the government-ordered adjustment affected several cities for the second consecutive day.

Defending the validity of the government decision adopted on 28 January, Finance Minister Cesar Robalino said today the increase was "absolutely inevitable." He explained that this decision is aimed at covering the budget deficit caused by the fall in international petroleum prices. In statements made on a radio and television network, Robalino noted that the plan initially proposed to cover the fiscal gap—estimated by the government at $1 million per day—did not include fuel hikes, but only tax reforms. "However, Congress rejected the plan and left us no other alternative," he continued.

The adjustment, which would result in $250 million in additional revenue for the state in 1994, sparked a wave of protests and street disturbances even before the official announcement was made. On 28 January three policemen were seriously injured in clashes with demonstrators, who closed the major roadways in Ecuadoran cities again today.

The United Workers Front [FUT] today called for an indefinite general strike for an unspecified date, while the Transportation Workers Union threatened to paralyze transportation if the government insisted on its announcement to freeze fares.

All parties, except the two progovernment parties, voiced their opposition to the measures prior to the government announcement and reported their intentions to fight it in Congress "like we did with the package to increase taxes," said Heinz Moeller, legislative wing leader of the Social Christian Party, the largest in the Chamber.

The liberal government of President Sixto Duran-Ballen is experiencing a severe popularity crisis, confirmed by polls taken even before the adjustment, with an approval rating of below 10 percent. Additionally, political experts believe that "the government is too weak, alone, and without prestige to try to implement such a harsh and badly presented package."

However, the government said that "its economic successes, in particular lowering inflation to less than half in one year, gives it the moral strength necessary to implement an adjustment which, no matter what, is absolutely unavoidable."

Different parties and organizations have called for street mobilizations on Monday, but the government anticipated today that "no interference with peace will be tolerated."

More Protests Expected

PA3101020694 Paris AFP in Spanish 2342 GMT 30 Jan 94

[Text] Quito, 30 Jan (AFP)—A worsening of street protests against the 71.2 percent increase in gasoline prices ordered by the government on Saturday, is expected in Ecuador on Monday [31 January], local observers indicated today.

According to some leaders of the United Workers Front (FUT), peaceful marches will be held in several cities early on Monday, but it is feared that extremists will take advantage of the situation to create disorders.

Since Friday, one day before President Sixto Duran-Ballen decreed the increase to obtain funds to deal with a growing fiscal deficit of a little over $200 million, protests were already anticipated. Students, workers, housewives, transporters, and citizens in general have expressed their disagreement with the increases, but the government said it had no other choice in the face of its economic situation after it had to grant a salary increase to 120,000 public school teachers.

The fact that the increases were announced on Saturday night postponed the street protests, which are being announced for Monday by labor federations, one of whose leaders, Edgard Ponce, announced that a nationwide strike for an indefinite period might be staged.

The Catholic Church has also indicated that the increases are very high and the bishop of Cuenca, the country's third largest city, said the poor are the ones punished the most because, he explained, the wealthy have cars and other means of transportation. He said the peasants will have to "pay the consequences" and he added that even though they produce food, they have to sell their products at low prices because they do not have the means to transport them to the cities.

"It is terrible to have to increase fuel prices or to have to create new taxes. This has caused much anguish for the president," his daughter Alicia said on Sunday. She added that "as a good father, he did not want to do so, but the Ecuadoreans have to understand that it was necessary so the government can fulfill its goals." "It is very hard to undertake the social projects the people need if there are no funds," the president's daughter explained to justify the increases.

After describing the measure as "a clumsy maneuver to violate the law," the Ecuadoran Socialist Party said the increase is "an unbearable tax on the Ecuadoran people." It proposed that the people go to the streets to show the government "their total and increasing discontent." The wave of discontent was becoming general in Quito, Guayaquil, and Riobamba.

Defense Minister General Jose Gallardo and General Guido Nunez, the police commander, have warned that the Armed Forces are ready to safeguard peace and they said that any person who is found disrupting order "must take responsibility for his actions."

Victor Granda, secretary general of the Socialist Party, announced that a suit of unconstitutionality against the increase will be filed on Monday "because it worsens the Ecuadoran people's poverty." He indicated that "we will struggle in the streets to organize a social movement that must demand the trial and removal of Ecuadoran Vice President Alberto Dahik. [no end quotation mark as received] Dahik, a conservative economist, has been blamed for the economic policy of the government of right-wing Duran-Ballen.

Even though the government has insisted it will not authorize increases in bus fares and intermunicipal transportation, beginning Sunday some Quito taxi drivers have begun to charge up to 40 percent more on their urban runs.

Paraguay

Congress Urged To Reject U.S. Military Presence in Country

PY2801222394 Asuncion NOTICIAS in Spanish 28 Jan 94 p 6

[Text] The U.S. Government offer to build roads, schools, and health centers in the interior of the country will reportedly be definitively rejected by President Juan Carlos Wasmosy. He is reportedly being influenced by the local military leadership who has been purportedly left out by the "Yankees," who fear the Paraguayan military will mistakenly get the credit for the work. Sources contacted yesterday said that Wasmosy met with members of the Permanent Commission of Congress, who were asked to reject the U.S. Government offer because it will result in a national political-military dispute that can be avoided by rejecting the offer.

Several deputies held negotiations yesterday to avert the loss of important aid because of squabbles among national political sectors.

To get the offer rejected, Wasmosy reportedly met members of the Permanent Commission of Congress at the presidential residence to ask them for their "support."

Congressional sources have told NOTICIAS that Wasmosy asked the legislators to reject U.S. Ambassador Jon Glassman's offer because of the privileges the Americans want to build these installations.

The same sources added that Wasmosy is refusing the offer in view of a political-military problem which arose because the U.S. Embassy demands that no Paraguayan military be involved in the project.

According to these sources, Wasmosy already gave his approval to Glassman at the beginning of January, but the president changed his mind after consulting the military commanders. It has been learned that the president is looking for a dignified way out. In view of this, he is meeting legislators so that Congress, not he, will "supposedly" be the one to reject the offer.

The same sources added that the problem is that the Paraguayan Army has already promised "to build one school per year."

It has been learned that legislators are studying the issue closely because the Paraguayan military law does not allow the Armed Forces to discredit politicians by committing themselves to build schools. Moreover, they said, this is not an Armed Forces task.

The 14-point agreement to be signed by the two governments establishes that the U.S. contingent will be relieved of some chores. Moreover, it will be provided with transportation. The agreement specifies that all privileges will apply only for the fulfillment of the mission.

Deputy Blas Llano was among those who, led by Congressional Permanent Commission Chairman Juan Carlos Ramirez Montalbetti, attended the meeting with Wasmosy on 26 January. Yesterday he paid a suspicious visit to the U.S. Embassy. Asked if he discussed the issue of the arrival of the American contingent, he answered yes. He added that consultations were being conducted to avoid losing the donation. Llano said: "I am only obtaining information to see how we can obtain this aid."

The U.S. Government has offered to build one health center, eight schools in rural areas, eight wells with raised water tanks, the corresponding plumbing and pumps, and to repair the roads leading to the construction sites. The United States wants only the Public Works Ministry involved in the project.

The project—named "Strong Roads 1994-South"—will be carried out by the U.S. Southern Command Task Force unit that is stationed in Panama. It will be held between 16 May and 15 September.

In exchange for the works, the United States will conduct long- range deployment exercises. The agreement to be signed the U.S. Embassy specifies that the soldiers will not use heavy artillery or armored vehicles but that they will carry pistols.

The installations will be built in Santa Lucia, San Salvador, Santa Clara, San Francisco, Libertad and the city of "6 de Enero" in San Pedro department.

Deputy Euclides Acevedo (National Encounter Alliance), first vice president of the Chamber of Deputies, said yesterday that only a joint session of Congress may authorize or reject a U.S. Government offer. However, he said that Congress is displeased over the arrival of the U.S. military contingent "because we have our own Armed Forces."

Acevedo added that he lacks sufficient information on the U.S. Government offer but stated he is not in favor of Congress authorizing U.S. military forces to build schools in Paraguay.

He said: "In principle, I do not fully agree with it. This is a sovereign country with its own Armed Forces. They should clearly specify the true objective of this trip because I do not see what the U.S. Armed Forces have to do with building schools in Paraguay."

Asked if he approves Army Commander Lino Cesar Oviedo's commitment to build "one school per year," Acevedo merely said that "the entire issue will be studied" in Congress.

Chamber President Supports U.S. Military Mission

PY2901024794 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2300 GMT 28 Jan 94

[Excerpts] The progovernment sector of the Colorado Party will reportedly oppose the coming of a U.S. military mission to carry out civil construction in San Pedro Department. [passage omitted]

[Begin Francisco de Vargas, president of the Chamber of Deputies, member of the Authentic Radical Liberal Party recording] I believe that President Juan Carlos Wasmosy initially agreed with the coming of the mission, but after pressure from military leaders who demanded Paraguayan participation, which was not granted, this project was obstructed. This is the information I have. I hope the permit will be granted to allow them to come. I do not see any unsuitability. It is said that the mission's hidden objective would have been the struggle against drug trafficking. If this is the case, I welcome it. [end recording]

Christian Democratic Leader Questions U.S. Troops' Mission

PY2801180494 Asuncion HOY in Spanish 28 Jan 94 p 4

[Text] Christian Democratic Party (PDC) President Miguel Angel Montaner said that the U.S. offer to send a unit of 600 military engineers to build schools in the country was questioned during President Juan Carlos Wasmosy's last meeting with political leaders. The main objection was that the social action offered in the package was small while the armed presence was very strong.

The political leader, who is a member of the president's official entourage currently touring Ecuador and Peru, said Ambassador Jon Glassman's offer on 10 January "was not laid out very well and probably will have to be brought up again or will be rejected."

What was laid out wrong?

It was really a request for social action, but a very small one, with very strong participation by U.S. armed personnel to carry out exercises, but not joint exercises with our troops but with Ministry of Public Work forces. We think the proposal was badly laid out because the promised social action is small. They propose building eight schools, a program that any parents association can undertake, and some eight artesian wells, all with a large military detachment. Their presence could create problems at a time we are consolidating our democracy. It is not convenient for the U.S. image as a leading democratic country and it is not convenient for the image we, Paraguayans, must have of ourselves.

Montaner said that as a result of a meeting at the presidential residence, "President Wasmosy has taken up the responsibility with a lot of integrity and without involving anyone. He has assumed the responsibility. I think the offer must be rejected. On the other hand, we can tell the Americans that we really need help fighting drug trafficking and implementing social action programs, but not with the proposed political style."

Asked if the president will reject the U.S. offer, Montaner said: "The proposal was made to the president of the Republic and he will be responsible for rejecting it."

Armed Forces Condition Approval of Presence of U.S. Troops

PY2901184794 Asuncion ABC COLOR in Spanish 29 Jan 94 p 2

[Text] Brigadier General Marcial D. Samaniego, retired, the vice minister of defense, said yesterday that the arrival of U.S. troops will be senseless if the Paraguayan Armed Forces do not take part in the "Strong Roads 1994-South" exercises. Samaniego said that if the Paraguayan troops do not take part in this military exercise, the Armed Forces will ask the legislators not to approve the presence of 600 U.S. troops who will be in charge of building eight schools, one health center, roads and wells in the San Pedro department area.

The vice minister said: "We must take part in the training exercise. Otherwise the presence of the U.S. military will be senseless because the Paraguayan Armed Forces will be mere spectators while they train."

After stating that the number of U.S. troops (600) that will take part in the "Strong Roads 1994-South" exercise may raise suspicion, Samaniego said that the main objective of the U.S. troops "is not to build schools but to conduct deployment exercises."

The retired general warned that "if the Paraguayan Armed Forces are not directly involved in the operation we will have no control over the U.S. force."

Samaniego stated that this possibility must be taken into consideration by the legislators who must approve the entrance of U.S. troops into Paraguayan territory. He added: "I believe that the legislators will support our position. This is why I do not believe they will approve the presence of U.S. troops on those terms."

Samaniego said that the Armed Forces position is to negotiate Paraguayan participation in the exercises. He added that if the U.S. Government rejects this proposal, they will ask the legislators to reject the presence of U.S. troops.

During the interview, General Samaniego repeatedly insisted on the need for Paraguayan officers to participate in the military exercise. He stated: "This should be one of our prerquisites to allow the entrance of U.S. troops in our country. We should negotiate so that the Paraguayan Armed Forces can participate in an integrated manner in the exercise."

Samaniego said that a possible confirmation of the U.S. refusal to allow the Paraguayan Armed Forces participation in the task of building schools, roads, etc. will help to increase the existing mistrust about the true objective of the 600 U.S. troops that will arrive in the country.

Moreover, Samaniego explained that the U.S. military will spend more money in the mobilization and transportation of its troops than in builidng schools and roads. He added: "Of the $12 million that the operation will demand, construction constitutes but a small percentage."

President Wasmosy Favors Privatization of Public Companies

PY2801204294 Asuncion ULTIMA HORA in Spanish 28 Jan 94 p 13

[Article by special correspondent Gloria Rolon]

[Excerpt] Quito—President Juan Carlos Wasmosy said he favors the privatization of all public companies in the country and of all public institutions and organizations with deficits. The president said this in exclusive statements to ULTIMA HORA.

The chief of state said that at first he did not agree with the privatization of the National Cement Industry (INC), but now he approves of the privatization of all public companies.

"The problem is that we are living with a budget we did not prepare. We did not have a manual to help us through the transmission like, for example, Bolivia. When we speak of privatizing the public companies we are not speaking of five companies. We will privatize everything except the Lopez Palace," the president said.

He added that the privatizations must not be carried out haphazardly, but that a special philosophy must be adopted for each case. "For example, in the case of the INC—which is just one company—some say that a small part of it should be privatized, some say only its administration should be privatized," he stated.

The president favors privatizing the INC but not its quarries, maintaining government control on that part of the activity.

Wasmosy said his government wants a social market economy and equal opportunities for all.

He mentioned the possibility of sending to Congress a general privatization bill to include both the public companies with deficits and all the public institutions without exception, specifying the privatization philosophy to be adopted in each case. [passage omitted]

Peru

Prison System Weakening Shining Path Morale

PY2701212594 Lima LA REPUBLICA in Spanish 16 Jan 94 p 14

[Report by Francisco Mattos]

[Excerpts] The new security and seclusion system implemented at the Miguel Castro Castro prison, which lodges around 500 subversives, has began showing positive results. Shining Path followers who support surrender have separated from their radical "commanders" and now want peace. And those who have repented demand that the law benefiting them be regulated.

Colonel PNP [Peruvian National Police] Gabino Cajahuanca Parra, director of the Miguel Castro Castro Special Regime Prison, said: "Everything seems to indicate that Shining Path inmates are involved in something that can be described as withdrawal."

The work of the intelligence service to get Shining Path followers to support Abimael Guzman Reinoso's call to lay down their arms, and the rigorous isolation surrounding indicted and condemned subversives, has apparently affected Shining Path morale.

It is not a coincidence that in the past few weeks many Shining Path "commanders" imprisoned in the Castro Castro prison have began distancing themselves from their most radical cadres.

"That is a fact that no one here denies," a subversive inmate said.

It is known that 35 subversives have repented at the Castro Castro prison so far. But their numbers could increase if the government issues regulations for reducing the sentences of "repenting" Shining Path followers.

LA REPUBLICA talked with one "repenting" Shining Path follower whose secret code is A1AA0043. He said that inside the prison "many Shining Path followers want to repent, but the lack of definition of their legal status makes them remain silent."

The case of this Shining Path inmate—number A1AA0043—who was leader of a teachers union before being recruited by the Shining Path, could be useful for the government in speeding up the approval of the regulations in question.

"I have been under the protection of the Repentance Law for the past four months, and so far no one has helped me. I have more information on Shining Path leaders, but why should I give it away if I am still here?" the repenting subversive said. The information he gave to the police permitted the capture of three important political and military PCP-SL [Peruvian Communist Party—Shining Path] "commanders."

A1AA0043 is supported only by the direction of a penal institution that has decided to isolate him from the rest of the Shining Path following. His case shows the rigidity of a prison system that has began to yield positive results.

A1AA0043 emphatically said that "many of those imprisoned here have started to realize what Shining Path really is here in jail."

"The situation is such thanks to Col. Cajahuanca Parra, who has reestablished discipline and has taken control away from the old Shining Path leadership," A1AA0043 said.

Other reports heard by LA REPUBLICA before support this assertion.

Another one who repented said: "In the past, the Shining Path commanders made us work for them. Now their power has been taken away by the isolation into which they have been forced, and this has brought us great peace." He added: "Their abuse made us understand that we were nothing to the commanders."

The same source, who pretended to be the "supervisor" of a wing in the penitentiary which is also called Canto Grande, revealed that in the past the "commanders" had physically abused the inmates by beating and raping them if they did not support Shining Path.

Now everything seems to have changed in the prison. [passage omitted]

Now nothing looks like the old courtyards where the Shining Path members had their murals, rabbit hutches, pigeon lofts, plants, and cubbyholes where they hid their weapons, and where they competed with the MRTA [Tupac Amaru Revolutionary Movement] with bright colors and subversive slogans.

That is now gone. Everything has been covered by concrete and heavy paint.

One of the supervisors said: "The only time there is noise here is in the morning, when groups of inmates come down to the first floor to fill their containers with water. As far as their hygiene is concerned, they clean themselves in the showers in the courtyards and when they come out into the open." [passage omitted]

Policemen permanently watch all activities in each cell, in each floor, in each wing. This is controlled strictly by Colonel Cajahuanca Parra, who visits the wings every day.

This officer, a hardliner, is identified by his personnel and the inmates as the one responsible for the changes made.

"We want to thank the director for the treatment we get. It is true there is extreme security, but I have been here for the last four and a half years, and I can assure you that life here was worth nothing," said Victor Manuel Miranda, delegate of wing 5B, where the 148 inmates sentenced for drug trafficking are kept.

He added: "Now, however, we are calm. There are no longer drugs, liquor, police corruption, and killings." [passage omitted]

The discipline and strict security measures are so extensive that there have been no escapes from the penitentiary. [passage omitted]

Under the same discipline, the inmates sentenced to life in prison, who number around 50, and the 35 who have repented are kept under special protection.

We also entered the wing of those who have repented and those who are kept isolated, which includes former Congressman Yehude Simon Munaro, who was sentenced to 20 years in prison for terrorism.

Munaro said: "I was isolated because the subversives accuse me of being a pacifist, and the government of being subversive." He added: "The documents for my defense will be submitted to the United Nations in the next few days." [passage omitted]

Only time will tell if the new antisubversive penitentiary policy will contribute to the pacification of the country. In any case, the first step and the hardest was already taken by the director of the Miguel Castro Castro penitentiary.

Dincote Presents 'Country's Most Wanted Drug Trafficker'

PA2901224694 Lima Global de Television Network in Spanish 0100 GMT 29 Jan 94

[Report by "Global TV News" newscast]

[Text] Demetrio Chavez Pena Herrera, 40, alias El Vaticano or Loco Limoniel, the country's most wanted drug trafficker was briefly presented today to the media at the Dincote [National Counterterrorism Directorate] headquarters in Lima. Chavez, who during the presentation was wearing a striped prison suit bearing the number 1891 on the back, has been charged with narcoterrorism and treason.

[Begin unidentified Dincote spokesman recording] According to preliminary investigations carried out by DINAN [National Police Intelligence Narcotics Department] in accordance with police report no. 45 of 23 January, evidence was found linking Demetrio Chavez Pena Herrera to narco-terrorism activities. [end recording]

As has already been established, initial DINAN investigations have uncovered links between El Vaticano and subversive groups operating in the Alto Huallaga region. This connection has been verified by several former terrorists who decided to surrender to the authorities.

The charges were acknowledged by El Vaticano to a military prosecutor as well as his defense attorney Juan Lazarte Luna.

[Begin unidentified Dincote spokesman recording, in progress] ...alias El Vaticano or Loco Limoniel, used them as links to ensure their support and cooperation which has been corroborated in affidavits by several former terrorists who decided to surrender. In turn, the charges have been acknowledged by the accused in the presence of his defense attorney as well as the corresponding prosecutor. [end recording]

The drug trafficker would resort to the services of a few terrorists known as Artemio, Clae, Manzini, James, and Liborio to transfer protection money [cupos] to the PCP [Peruvian Communist Party], Shining Path, as well as MRTA [Tupac Amaru Revolutionary Party] military and political leaders.

Intelligence service investigations have established that El Vaticano repaired back roads in the Provinces of San Martin and Mariscal Caceres and used them as clandestine helicopter landing sites to transport drugs.

[Begin unidentified Dincote official recording, in progress] ...could rely on the protection and support of terrorist criminals whom he would pay $5,000 for each flight. In addition to that, he would also pay $2 for each kilo of basic cocaine paste, and $6 for each kilo of clean basic cocaine paste. [end recording]

Once Dincote investigations have concluded, El Vaticano will be turned over to the Special Army War Council [Consejo de Guerra Especial del Ejercito]. On the other hand, the Dirandro [General Narcotics Directorate] will continue with its independent investigations into drug trafficking and money laundering.

Further on Drug Trafficker Chavez

PA2901233194 Lima Radio Programas del Peru Network in Spanish 1800 GMT 27 Jan 94

[From the "Newspaper of the Airwaves, Second Edition" newscast]

[Text] The National Counterterrorism Directorate [Dincote] has discovered links between drug-trafficker Demetrio Chavez Penaherrera and subversive organizations in Alto Huallaga.

Chavez, alias El Vaticano, was presented to the local and foreign media a few minutes ago wearing the characteristic striped attire in which terrorists are presented. Chavez' shirt had the number 1891 and he appeared very briefly—10 seconds—before the media.

Dincote Commander Hugo Sayers Calderon illustrated the links between the drug trafficker and the subversive organizations. He reported that Chavez had provided weapons to the terrorists and had built a rural road at Campanilla.

Juan Lazarte Luna, who was Chavez's lawyer until noon today, formally announced that he would not defend the drug trafficker because, he said, he has too much work. He declared, however, that he will continue to defend Demetrio Chavez' sister, Berta Chavez, who is scheduled to be released tomorrow. Lazarte also reported that Fausto Parra will continue the drug terrorist's defense for all pending charges against him.

Television host Susan Leon, who is being held at the police station women's section for her alleged involvement in the El Vaticano case, will be released in the coming hours. Her lawyer, Mario Rodriguez Hurtado, presented a habeas corpus appeal, which the 5th Arraignment Court has to respond to within 24 hours. Upon receiving the habeas corpus, 5th Arraignment Court Judge Carmen Rojari visited Susan Leon in jail where she has been held for the last four days.

Also, hair stylist Segundo Gonzales, alias Chocco, who has been held at the Dirandro [General Narcotics Directorate] headquarters for the last five days, will be released today or tomorrow. His lawyer, Rosa del Corral, reported that El Vaticano himself had testified that his friendship with the hair stylist was only based on the latter's profession.

Former Miss World Lucila Boggiano de Zoeger's situation, however, is still unknown. She is currently at the Estela Maris Clinic where she had to be admitted last Monday. Comedian Andres Hurtado, alias Chibolin, and his wife, Marilu Montiel, are also under arrest on charges of alleged links to the El Vaticano case.

* Navy Captures Over 40 Terrorists, 160 Drug Traffickers

94P20248A Lima EL COMERCIO in Spanish 18 Dec 93 p A18

[Excerpts] In recent months the Navy has captured more than 40 insurgents and some 160 drug traffickers as they were transporting drugs from Aguaytia towards the area of Constitucion and Palcazu, an area of increasing drug trafficking.

This according to Rear Admiral Juan Luis Podesta Llosa, chief of the Politico-Military Command of the Ucayali Front, who also said that the most turbulent area in his region of responsibility is the province of Padre Abad (Aguaytia).

He said that the province is still experiencing much violence because of the relationship that exists between drug traffickers and terrorists.

"The insurgents are seeking funding sources for their criminal activities and they have found them in Padre Abad," Podesta said.

He said he is not able to advance toward full pacification in the region as fast as he would like, but that in recent months they had captured more than 40 terrorists, of which some 18 had expressed a wish to avail themselves of the Law on Repentance.

He explained that the drug collection points near Aguaytia had been moved to Palcazu, with the result that the "rattling" (method of carrying drugs in small quantities to the collection centers) has a broader road to travel between the coca area of Aguaytia and Palcazu. The Navy was able to capture about 160 drug traffickers there in the last six months, according to Podesta.

"This," he said, "is why drug trafficking operations have been moved to Palcazu, a region for which the Ucayali Front does not have responsibility."

He said that in the case of Ucayali, all the leaders of the terrorist groups have been identified thanks to various repentants. [passage omitted]

Most Important Capture

Podesta Llosa considers the capture of Leo Humberto Pena Gutierrez, formerly of San Marco University, and known as comrade Marcos, Gramdzo, or Felix, the most important capture this year because he was a leader in two SL [Shining Path] companies, "Adversity" and "Daring," while at the same time being the military deputy of the "Nippon" battalion, all of which are active in the Ucayali area. He was also one of the leadership in the Huallaga Regional Committee of the Shining Path. With that capture and the capture of comrade Atilio—Roman Rengifo Murrieta—only eight of the Navy's most wanted terrorists remain at large in the Ucayali region.

Venezuela

Defense Minister Meets With Colombian Counterpart

PA2901050194 Caracas EL UNIVERSAL in Spanish 28 Jan 94 p 2-19

[Text] Colombian Defense Minister General Emilio Gil Bermudez and Venezuelan Defense Minister Vice Admiral Radames Munoz Leon have discussed new strategies to jointly combat guerrilla forces, drug trafficking, gunrunning, kidnapping, car theft, contraband, and other criminal activities along the Colombian-Venezuelan border.

Meetings between the two high-ranking military officers took place on 17 and 19 January in Bucaramanga, the capital of Santander Department, 250 km northwest of Santa Fe de Bogota. The military representatives discussed the mechanisms necessary to obtain greater efficiency in the implementation of current agreements between the two nations and in bilateral issues between the Armed Forces.

They agreed to act cordially, based on mutual respect for the two Armed Forces' autonomy, in the war against the different crimes that occur in the zone.

The meeting between the two defense ministers strenghtens the ties of friendship and good relationship that have always existed between both countries.

Confirms Changes in Military High Command

PA2901205494 Caracas Venezolana de Television Network in Spanish 1845 GMT 29 Jan 94

[Statement by Venezuelan Defense Minister Radames Munoz Leon at a news conference with unidentified reporters at the Miraflores Presidential Palace in Caracas on 29 January—recorded]

[Text] This morning the entire military High Command and I were called to the residence of President-elect Caldera in Tinajero. There we were told that the president [not further identified] wants to return to the tradition of the president choosing his ministers and the military High Command at the beginning of an administration and that for this reason we were to be changed.

He made some acknowledgements and appointed General Manuel Montero Revete as defense minister; the inspector general of the Armed Forces will be Air Force Gen. Maglio Montiel; Vice Admiral Rafael Huizi Clavier will be Armed Forces chief of staff; the commander of the Army is Gen. Moises Orozco Graterol; the Navy commander is Vice Adm. Jesus Ramos Flores; the Air

Force commander is Gen. Otto Garcia; and Gen. Hegberto Artuza Delgado will be the commander of the Armed Forces of Cooperation.

In view of this situation, I told President Caldera that we are soldiers who respect civilian authority and that our last demonstration of obedience, subordination, and respect for the norms of discipline we honored during our years of service in the military institution, would be our compliance with that decision, but that I, personally, do not agree, and I do not agree because I think this marks the beginning of a breach in an institution that rescued the values of discipline, of service to the nation, and of respect for the democratic system above everything.

The military High Command has demonstrated clearly that it backs the democratic system and respects its fundamental values. It has demonstrated its love for Venezuela and its respect for the people.

This has been possible because we respect honor, our own honor.

Today we were humiliated. This is the kind of reward we receive for the personal sacrifices that the High Command has made for the democratic development of the country. We were humiliated because we were asked to explain our resignations with a childish excuse; and thirdly, because we were offered private meetings to offer us some other things and this goes against honor and dignity. I do not accept—we do not accept—unprincipled and merchant-like posts to hide a political decision.

We think that the values that were rescued while we held our posts in the Armed Forces were for the purpose of strengthening the institution so that it could serve the people and the country and not the personal interests of private individuals who have no sense of institutional values.

I do not accept flattery from people whom we do not deserve to receive it. I do not accept childish excuses either. In first place is my dignity, my family, and my people. I accept no humiliation of any kind from any person or for the sake of any institution or person in this country. My dignity is first. The dignity of the High Command is first. I have asked the president to relieve me from my post as minister on Monday or Tuesday, when he finds it suitable, and I have decided also to present by irrevocable retirement from the Armed Forces.

This situation has infuriated me. This cannot be the reward we receive for the democratic struggle we have waged within the Armed Forces. I am crying inside over my people because I do not know what will happen to the country with a precarious government that was elected by scarcely 8 percent of the population, or 16 percent of the potential voters, and whose first act was to strike an institution that is at the service of the fatherland and not of political parties, personalities, or economic or political interests.

Gentlemen: I have nothing else to say. Our posts will be placed at the disposal of the Presidency. We will leave honorably, with our heads high, through the front door, through which we dreamed to step out someday after our 30 years of institutional life.

Thank you.

[Reporter] You have said that the unity of the Armed Forces has been broken. Is a coup d'etat possible?

[Munoz] I do not think the Armed Forces are thinking about that. We have planted the seed of democracy and it is deep in the heart of the Armed Forces. They are responsible. However, in the face of an attitude such as this, hopelessness will enter the minds of many people because they will think that after 30 years of service they still will be unsure what a political whim will decide for their lives.

[Paris AFP in Spanish at 1850 GMT on 29 January in a 150-word, Caracas-datelined report adds: "Montero Revete will assume the post of acting defense minister on Monday in view of Defense Minister Rear Admiral Radames Munoz' decision to resign and to request his retirement, President Ramon J. Velasquez said. The president made this announcement in the company of Munoz at the Miraflores Presidential Palace, after Caldera informed both of his decision to change the entire military High Command."]

Velasquez on Defense Minister's Retirement Decision

PA3001014694 Caracas Venezolana de Television Network in Spanish 0000 GMT 30 Jan 94

[From "The News" newscast]

[Text] Defense Minister Vice Admiral Radames Munoz Leon has asked Head of State Ramon J. Velasquez to irrevocably accept his retirement from the national Armed Forces. Along with members of the military High Command, Munoz placed his post at the president's disposal. The defense minister adopted this stand because President-elect Rafael Caldera decided to reorganize the military High Command.

Meanwhile, President Ramon J. Velasquez said that the work done by these soldiers over the past months was decisive in preserving democracy. He added that President Caldera is fully empowered to make the changes he deems necessary.

[Begin Velasquez recording] I wish to say that the military High Command and the defense minister have been key collaborators in the process that led to the 5 December elections. For seven months, months which were filled with difficulties, the presence of the military High Command meant support and strong stability for the government I headed. Holding elections in December was also the High Command's main goal.

I hold you in high esteem for the work you did, the way you have maintained discipline within the military institution, and your high sense of patriotism which guides each one of you as members of a key team within the national Armed Forces. [end recording]

President-Elect Makes Statement on New Defense Minister

PA3001191994 Caracas Venezolana de Television Network in Spanish 1707 GMT 30 Jan 94

[Statement by Venezuelan President-elect Rafael Caldera; date, place not given—recorded]

[Text] All members of the National Armed Forces [FAN] as well as all Venezuelans know perfectly well that the president has the power to appoint ministers. The defense minister is no exception. There are no other requirements other than to be a Venezuelan citizen, more than 30 years of age, and a lay person [seglar]. Therefore, in theory, a civilian, a retired military member, or an active military member could hold the post. There are no requirements of rank for the post of defense minister.

When General Lopez Contreras became president, he appointed Colonel Isaias Medina Angarita as war and navy minister, as the position was called back then, despite the fact there were very important Armed Forces generals in active service, such as Gen. Manuel Moran, Gen. (Antonio Chalvo Cardona), and Gen. David Lopez Enriquez.

In this case, I have decided to appoint a division general who has more than enough merits for the post and who currently is second in the Army's hierarchy. The Constitution empowers the president, as FAN commander in chief, to carry out this delicate task. This task is so important that it is one of the two posts the president, according to the Constitution, can directly appoint without the need to have the minister confirm the appointment.

This is perfectly clear, simple, and is a tradition that dates back in our democracy. During each constitutional period, the president appointed the defense minister and the top military command. When President Romulo Betancourt handed over the Presidency to fellow party member Dr. Raul Leoni, Dr. Leoni did not confirm Gen. Antonio Briceno Linares, who was Betancourt's defense minister and who still had two years of service before retiring; instead, he appointed Gen. Ramon Florencio Gomez.

When I took over as president after Dr. Leoni, I did not confirm Dr. Gomez, who still had a few more months of service before retiring. Instead, I appointed Gen. Martin Garcia Villazmil as defense minister. When my period in office ended and Mr. Carlos Andres Perez took office, he did not keep or confirm Gen. (Gustavo Pardo Davila), who still had some time before retirement; instead, he appointed Gen. Homero Leal Torres.

This tradition was broken when President Luis Herrera Campins took office, who confirmed Gen. Paredes Bello to the ministry. Something similar happened in the following years; nevertheless, when President Perez again became president, he made his own military appointments.

I want to refer to the statements by Vice Admiral Radamez Munoz Leon regarding my decision, statements that are improper for an active member of the military. I must reject the statement that I have humiliated the minister and members of the High Command. I do not know how this can be termed humiliation when I have invited them to my home, courteously telling them I had decided—after meditating the situation of the country and Armed Forces—to appoint a new defense minister and a new military High Command. I added that I wanted to give them my full recognition as a Venezuelan and as a participant in the electoral process for the services rendered to the country regarding this electoral process and in defense of the democratic institution.

I have told them they were entitled to announce this decision to reporters if they felt they should, or if they preferred they could say they had gone to my house to tender their respective positions. This is what the defense minister termed as childish, a totally unjustified remark. I do not want to refer to the minister's other remarks, except one which I consider important. One cannot speak of a rift within the Armed Forces simply because seven generals—of whom five are retiring in four months because they have been in service for a long time, the two others, in one year and four months—will request, as President Velasquez told me they had requested, their retirement. There is no rift within the Armed Forces. There simply is a decision, perfectly regular within the armed institutes.

Furthermore, I am convinced the adopted decision strengthens the Armed Forces' unity. I have absolute confidence the Armed Forces are aware of their role within the Constitution and the laws, which is to abide by and firmly support the president's decisions when exercising the powers vested upon him by the Constitution.

Outgoing Defense Minister Wishes Success to New Government

PA3001221994 Paris AFP in Spanish 2127 GMT 30 Jan 94

[Text] Caracas, 30 Jan (AFP)—Admiral Radames Munoz, outgoing defense minister, today modified the position he voiced yesterday when he said he respected but did not agree with the decision to remove him from office. Today, Radames Munoz wished success to the new administration of President-elect Rafael Caldera.

Munoz, who on Saturday was informed by Caldera that the entire high Military Command would be removed, said he was "humiliated" and announced he would resign before the inauguration of the new president on 2 February and that he would request his retirement from the Armed Forces. Nevertheless, this Sunday, as he left the last meeting of the council of ministers of interim President Ramon J. Velasquez, Munoz said "the new government must be given an opportunity to succeed. It must be helped because the success of the new government means success for the country, and the failure of the new government means the people's failure."

Vice Adm. Munoz also praised the members of the new high Military Command that Caldera will appoint and denied that a crisis might break out in the government or the Armed Forces. These remarks contrast with those he made yesterday, when he said, "I am crying inside because I do not know what will happen with a precarious government that was elected by 16 percent of potential voters and that begins by striking out at an institution that is at the service of the fatherland and not political or economic interests."

Munoz will be replaced as defense minister by General Manuel Montero Revette, current Army inspector general.

Munoz Denies Ever Wanting To Stage Coup

PA3101021494 Caracas Venezolana de Television Network in Spanish 0035 GMT 31 Jan 94

[From "The News" newscast]

[Text] While President Ramon J. Velasquez' last Council of Ministers meeting was being held at Miraflores Palace, Vice Admiral Radames Munoz [outgoing defense minister] said that after the statement he made yesterday he had nothing to add. Nevertheless, he rejected the statements made about him by reporter Jose Vicente Rangel during a television program. Here is what Vice Admiral Radames Munoz said:

[Begin Munoz recording] If I had ever thought about staging a coup d'etat, I had 271 days to do so. Gentlemen, simply by taking advantage of the incident that occurred at the presidential palace and by arresting one parliament member I could have staged a coup. I never perpetrated this and I never wanted to, even though in the media there were suggestions that I had ordered something like that. I did not do this precisely because of my respect for the Venezuelan people and the democratic system in which I have a firm belief. Therefore, those accusations are groundless. [end recording]

Funds Deposited Into Central Bank for Account Holders

PA2801181594 Caracas Venezolana de Television Network in Spanish 1550 GMT 26 Jan 94

[From "The News" newscast]

[Text] The funds to pay Banco Latino depositors, beginning on 28 January, have already been deposited into the Central Bank of Venezuela [BCV]. In addition, the possibility of also making such payments at branches of the government-intervened bank on 29 and 30 January is being analyzed.

Esperanza Martino, Fogade [Deposit Guarantee Fund] president, has said her organization has deposited funds into the BCV to settle Banco Latino debts with small-savings account holders. Those who have accounts with less than 100,000 bolivares—that is, about 326,000 accounts—will be paid during the first phase. Meanwhile, those account holders who have up to 1 million bolivares must wait until Fogade makes a 60-billion bolivar deposit.

Meanwhile, Colonel (Numa Coz Briceno), Metropolitan Police Intelligence Division chief, has said a large-scale operation will be conducted beginning 28 January around Banco Latino branches to protect depositors from possible holdups.

[Begin recording] [Martino] We have already issued bonds and believe approximately 25 billion bolivares are available. We have asked the BCV to advance 60 billion bolivares....

[Unidentified reporter, interrupting] I beg your pardon.

[Martino] 60 billion bolivares.

[Reporter] In addition to the 25 billion bolivares?

[Martino] In addition to the 25 billion bolivares. We are procuring funds to make them available to the BCV. I want to tell you that we are maintaining a perfect relation with the BCV, and we are working together. I think we will have good news for account holders. [end recording]

Interior Minister Sees Conspiracy To Mar Inauguration

PA2801200194 Paris AFP in Spanish 1423 GMT 28 Jan 94

[Text] Caracas, 18 Jan (AFP)—The street disturbances of the past days in Venezuela are reportedly part of a "political conspiracy" to mar the inauguration on Wednesday of president Rafael Caldera, Interior Minister Carlos Delgado Chapillin said on Friday.

"Everything is a conspiracy, a preconceived plan to disrupt the peace. The idea is to mar the inauguration of the new government and the functioning of the Congress," Delgado told newsmen. He added that classes will be suspended in those schools where disturbances take place.

The protests and turmoil in Caracas and major cities in the interior of the country have gone beyond student skirmishes. On Saturday, 18 January, over 100 persons were arrested in Barcelona (in the west) for setting fire and looting food trucks. The unrest extended the next day to neighboring Puerto La Cruz, Valencia (in the center), and Punto Fijo (in the northeast).

This week there were transportation strikes in several cities but the disturbances were concentrated in schools in the metropolitan areas of Caracas. A 17-year-old student was killed in the bedroom community of Los Teques in the midst of a skirmish between students and police.

Foreign Minister Denies Increase in Drug Crops

PA3001043994 Caracas EL DIARIO DE CARACAS in Spanish 26 Jan 94 p 23

[Text] Foreign Minister Fernando Ochoa Antich denied statements by Colombian authorities regarding an increase in coca and marijuana crops on Venezuelan territory. He considered them to be "a campaign to discredit Venezuela's image."

"I am concerned with such statements because possibly a few laboratories and coca crops exist in the Venezuelan border area—the country's most inhospitable zone (...) but to say that Venezuela is a country where cocaine and marijuana are extensively grown is to lie," the minister stated. Ochoa pointed out that "there has been a very conspicuous campaign of comments against Venezuela in the past days. As foreign minister, I categorically reject such comments."

He added that "Colombia and Venezuela, as neighboring countries, have to review and reevaluate our bilateral policies. There are sectors in both countries that sincerely want integration. However, there are also sectors that maintain a radical position against Venezuela; I will always reject them."

Omar Baralt, the head of the Venezuelan delegation at the Border Affairs Commission, also questioned Colombia's attitude regarding border issues and especially regarding the illegal trafficking of stolen vehicles. He said, "Colombia does not dare implement drastic measures" to stop this activity because "it fears the border will be paralyzed." Baralt explained that 80 percent of the vehicles in the border area are Venezuelan. His statements were made after the Border Affairs Commission presented a final report to Venezuelan President Ramon J. Velasquez after four years of work.

Enrique Vargas, head of the Colombian delegation at the commission, emphasized that Colombia and Venezuela have worked jointly to identify more than 70 common problems. He said that "incidents that prompt friction are not good but they are inevitable."

Guyana

Government Announces Divestment of Four State Companies

FL2901014494 Bridgetown CANA in English 1548 GMT 28 Jan 94

[Text] Georgetown, Guyana, 28 Jan, CANA—Guyana has announced the divestment of four state companies, including the Guyana Sugar Corporation's dairy and milk production plants. Prime Minister Dr. Cheddi Jagan also announced Thursday that the government had concluded the sale of the Guyana Stores retail outlet chain; the Guyana National Engineering Corporation, a company reputed for shipbuilding; and government's shares in the Guyana Bank for Trade and Industry.

Addressing donors from more than 30 countries and 15 international lending institutions, President Jagan restated his government's commitment to a healthy private sector. The Guyanese president acknowledged that government's pace in privatisation had been slow, but he defended this on the grounds that the process of identifying state companies suitable for divestment could not be short circuited

"There is absolutely no ground for scepticism as regards the orientation... And commitment to a strong and healthy private sector," the prime minister said. "Whatever we do, the people of the nation will not be compromised," he added.

PNC Warns Aid Donors Against Jagan's 'Marxist Ideology'

FL2901131294 Bridgetown CANA in English 1858 GMT 28 Jan 94

[Text] Georgetown, Guyana, 28 Jan, CANA—Guyana's main parliamentary opposition group, the People's National Congress (PNC), has urged the international donor community to withhold aid to the country unless it agrees to stay clear of the Marxist/Leninist ideology.

The PNC, in a message aimed at the World Bank-organised Conference of the Caribbean Group for Economic Co-operation and Development (CGCED) here, also said further support for the government would be fruitless unless it was accompanied by good governance and sound economic policies.

The party says the donor community must insist that the Cheddi Jagan administration formulate, publish and table in Parliament a policy paper committing itself unreservedly to a free and open society and a market-oriented economy.

"They should require of the government a firm undertaking to eschew Marxist/Leninist ideological considerations in the determination of economic reforms," the PNC said.

About 70 supporters of the party, including several former top government ministers, picketed the opening of the two-day CGCED and chanted "broken promises" when former U.S. President Jimmy Carter arrived at the forum.

The umbrella Trades Union Congress (TUC), the Amerindian People's Association (APA), the Guyana Human Rights Association and the Guyana Consumers Association also picketed the conference.

The PNC, in the lengthy statement, accused the government of spending too much time "bemoaning" the state of the country's economy, harassing and dismissing black public servants, of reneging on promises and displaying a lack of enthusiam for free enterprise and market policies.

The Jagan administration, the opposition party said, has "dithered with respect to privatisation. After some 15 months in office, no state-owned enterprise has yet been privatised".

It also accused the government of unnerving businessmen and investors with unfavourable statements, shown hostility to private investment, mismanagement, bad faith and corruption.

CGCED Meeting Produces $320 Million in New Aid

FL2901134894 Bridgetown CANA in English 2131 GMT 28 Jan 94

[Report by Colin King]

[Text] Georgetown, Guyana, 28 Jan, CANA—Guyana has received enough commitments of finance from bilateral and multilateral donors to cover projected financing gaps for 1994-96, the World Bank said here Friday.

New commitments of US320 million dollars, about US70 million dollars in escess of earlier expectations, were received from representatives of donors meeting here in a special sub-group gathering on Guyana under the Caribbean Group for Co-operation in Economic Development (CGCED).

The World Bank in a statement coming out of the consultation said Guyana's prospects for sustained development are "promising" but reiterated a theme of the meeting—the need for deeper reform, a clear developmnt agenda, and consistent signals to the private sector.

"Good result," conference chairman Yoshiaki Abe of the World Bank summarised for reporters Friday at the end of the two-day meeting. An effusive Guyana Finance Minister Asgar Ally said the objectives of the meeting had been achieved.

World Bank officials declined to provide detailed breakdowns of the commitments received but among them was US20 million dollars from the Caribbean Development Bank, in addition to US35 million committed last year, well-placed sources told CANA.

The United States and Britain also signed agreements here Friday extending further assistance to Guyana.

The U.S. package, a PL480 commodity agreement, covers three years and provides US6 million dollars for 1994, while the British assistance under the Overseas Development Administration is for five million pounds sterling over three years to the public sector reform programme.

The commitments from the various donors are intended to fill the gap remaining in Guyana's projected US500 million dollars financing requirements in the 1994-96 period after accounting for international trade, transfers, and already committed inflows.

During the meeting here, attended by 100 representatives of 27 countries and international organisations and addressed for former U.S. President Jimmy Carter at the invitation of the Guyana Government, the government presented its economic policies and programmes for consideration.

"I think that basically what we have set out to achieve we have achieved.... One of the objectives of this conference was to close the financing gap in 1994 and that gap has been closed. We have also had commitments beyond 1994," Ally told reporters.

The meeting, the first such to be hosted by the country making the pitch to the financing community, was billed as an important milepost along the country's economic recovery programme, started in 1988.

"The meeting recognised the significant progress achieved since the country embarked on its economic recovery programme in 1988. The donors, however also acknowledged the huge constraints Guyana faces in view of the high external debt, the dilapidated economic and social infrastructure and pervasive poverty," the Bank said.

"Guyana's prospects for further sustained growth and poverty alleviation are promising.

"To achieve them will require a deepening of the reform programme, the maintenance of a sound macroeconomic framework, the elaboration of a clear development agenda, and consistent signals to the private sector," the Bank added.

Ally said the Guyana presentations during the meeting laid the basis for "the donors to better understand the problems of Guyana."

"I come out of that meeting very reassured that we have friends overseas, both among the (international financial institutions) and among the donor countries. Guyana is really lucky to be in a position where it has so many firends that are prepared to help us at a time when the availability of aid and soft loans is drying up.

"I think that for Guyana to be able to come out with this kind of success is indeed remarkable to the country and to the people and to the government.

"The conference has been a success and the foundations are now being laid for sustaining growth and to sustain democracy."

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